

Bega Cheese Limited

2023

**SUSTAINABILITY
REPORT**



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**100+ YEARS YOUNG
AND GROWING**

Contents

About Bega Group	3
About this report	4
Our purpose	5
About us	6
Chairman and Chief Executive Officer's Report	7
2023 Performance at a glance	10
Company structure	11
Our brands, markets and operations	12
Our strategy and governance	14
Our approach to sustainability: Greater Good	17
Our products	21
Responsible sourcing	22
Modern slavery	23
Food safety	24
Nutrition	26
Case study: Deakin University	27
Case study: Australian Healthy Food Guide Awards	28
Our people	29
Employee wellbeing	30
Case study: B Valued	32
Workplace safety	33
Case study: Safety Pause	38
Diversity and inclusion	39
Working with local communities	43
Bega Circular Valley 2030 Program	45
Our planet	46
Our planet	47
Climate change and emissions	48
Water management	51
Waste management	52
Packaging	53
Case study: Juice Brothers	54
Land management	55
Appendices	60
A: Data boundary	61
B: Performance data	62
C: Assurance statement	69
D: Figures	71
E: Glossary	72
F: GRI and SASB Content Index	73

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ABOUT BEGA GROUP

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About this report

This is the 2023 Sustainability Report (Report) published by Bega Cheese Limited (ABN 81 008 358 503). The Report details the performance of Bega Cheese Limited in relation to material sustainability impacts during the financial year 1 July 2022 to 30 June 2023 (FY2023). Bega Cheese Limited is a company publicly listed on the Australian Securities Exchange (ASX Code: BGA) with 20,107 shareholders.

All references to a year refer to FY2023, unless otherwise stated. Some data has been included for previous financial years to provide trend information and context.

Throughout this report we use “Bega Group,” “Bega Cheese,” “the Company,” “the Group,” “we” or “us” when referring to the entity of Bega Cheese Limited and its subsidiaries during the reporting period and “Bega Dairy and Drinks” when referring to Bega Dairy and Drinks Pty Ltd.

An outline of the current Company structure and entity ownership is provided in Figure 2, with further details provided on page 89 of the Annual Report. Entities and associated performance data included in the scope of this report are listed in Appendix A. All currency referred to in the Report is in Australian dollars, unless otherwise stated.

This Report references the Global Reporting Initiative GRI Standards (2021) and the SASB Standard for Processed Foods (2018). A navigation index with links to relevant sections of the document is provided in Appendix F.

We produce a suite of public reports including a Corporate Governance Statement, Workplace Gender Equality Report, an Australian Packaging Covenant Organisation Annual Report and a Modern Slavery Statement. This Report should be read in conjunction with our Corporate Governance Statement and the 2023 Annual Report, which provides a detailed overview of our financial and operating performance for FY2023.

We report our greenhouse gas and substance emissions to the Commonwealth Government. Due to the relatively recent acquisition, in January 2021, of the Lion Dairy and Drinks business, now Bega Dairy and Drinks, some historic data is reported separately. Previous reports on both Bega Cheese and Bega Dairy and Drinks remain available on our website or those of the relevant regulator – at their discretion.

Data should only be used in full knowledge of Bega Group’s acquisition of Lion Dairy and Drinks having taken effect 25 January 2021 and the sale of our interest in Vitasoy Australia on 25 January 2023. A detailed sustainability data table is provided in Appendix B. We have, where appropriate, verified the source and accuracy of the information contained in this Report, and obtained limited independent assurance in relation to specific information presented. An assurance statement is provided in Appendix C. Where there are changes to previously reported data, this is explained in notes where the restated information appears.

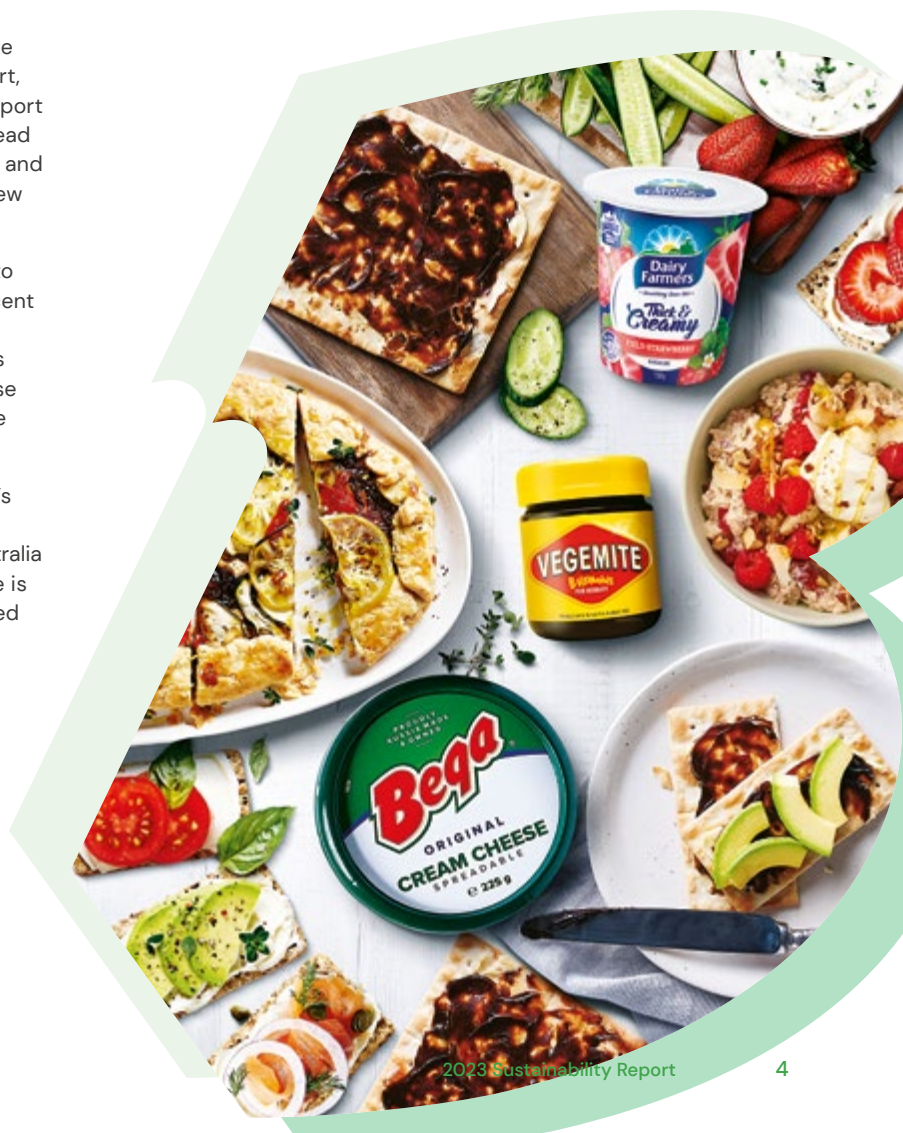
We have not undertaken dedicated external stakeholder engagement in the preparation of this Report nor in the ongoing development of our approach.

This Report contains forward-looking statements. Forward-looking statements may be identified by the use of terms including ‘forecast’, ‘estimate’, ‘expect’, ‘believe’, ‘target’, ‘likely’, ‘anticipate’, ‘should’, ‘could’, ‘intend’, ‘aim’ or similar expressions. These forward-looking statements are not guarantees or predictions of future performance. They are based on our good faith assumptions as at the date of this Report. However, such statements can be impacted by known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results and performance to differ materially from those expressed or implied in the forward-looking statements. Readers are cautioned to not place undue reliance on forward-looking statements. Except as required by applicable laws or regulations, we do not undertake any obligation to publicly update or revise such forward-looking statements or advise of a change in assumptions on which the statements are based. Past performance cannot be relied on as a guide to future performance.

We aim to continually improve our sustainability reporting and welcome your feedback on this Report. Please address any questions, comments or suggestions to bega.admin@bega.com.au.

Previous reports are also available at www.begagroup.com.au.

Please consider the environment before printing this Report.



Our purpose

Our vision

**TO BECOME THE
GREAT AUSTRALIAN
FOOD COMPANY**

Our purpose

**CREATING
GREAT FOOD FOR
A BETTER FUTURE**

Our values

**GROW
OUR
PEOPLE**

**PASSION
FOR THE
CUSTOMER
AND
CONSUMER**

**INVEST
IN OUR
FUTURE**

**SUPPORT
EACH
OTHER**

About us

Transforming to become a great Australian food company and delivering value for our shareholders.

Since 2001 we have transformed from a dairy co-operative with a strong regional cheese brand into a diversified branded food and beverage business.

2021 Transformational acquisition



Future A great Australian food company



- Acquisition of Dairy and Drinks
- Portfolio of iconic Australian brands
- Broaden customer base and new cold chain distribution network
- Substantial synergies across the supply chain
- Accelerated investments in growth and innovation
- Further growth and diversification of the milk pool

- Creating great food for a better future
- Diversified portfolio of market-leading brands
- Efficient distribution network servicing customer growth
- Globally competitive supply chain
- Direct relationship with farmers and suppliers
- Shaping our future through corporate social responsibility and circularity

2018 Strengthen our supply chain



2017 New business platform



2011 Structured for the future



- Acquisition of Koroit
- Growth and diversification of milk sourcing
- Strengthening our dairy portfolio
- Integrated and flexible supply chain

- Acquisition of grocery brands
- Entry into spreads category
- Iconic Australian brands, including VEGEMITE
- Extending the Bega brand into new categories

- Accessing capital for growth
- Successful ASX listing
- Investment in capacity and increased focus on nutritionals and high-value dairy products

2001 Seeking new opportunities



2007 Grow and diversify



2009 Increasing scale



- Industry deregulation 2001
- Bega based co-op with strong regional brand

- Acquisition of Tatura
- Entry into nutritionals, cream cheese and milk powders

- Acquisition of Strathmerton
- Cut, pack and processing scale and capability

Chairman and Chief Executive Officer's Report



Barry Irvin
Executive Chairman

Pete Findlay
Chief Executive Officer

Our central challenge is to create great food while using fewer resources and in a changing climate. Our focus this year has been supporting growth as we transform into a branded business and doing so in a way that supports our sustainability goals. We have done this while navigating some of the most difficult and rapidly changing conditions the company has ever experienced.

Global dairy commodity prices were extremely volatile in FY2023 with the rapid increases experienced early in the year quickly dissipating in the second half, resulting in challenging conditions, particularly for the bulk segment of our business. The rise in energy and fuel prices, increased costs of packaging and logistics and the notable increase in farmgate milk prices also affected our branded segment. Business continuity planning was required to deal with supply chain disruptions associated with extreme weather events, such as flooding in the Goulburn Valley region of Victoria. While the strength of our brands enabled us to grow value and retain market share, this year's market conditions and operating environment resulted in a significant impairment of our bulk assets and we reported a statutory loss.

Our vision is to be The Great Australian Food Company by creating great food for a better future. This is guided by our Greater Good Strategy which aligns with the United Nations Sustainable Development Goals and specifically our contribution to Goal #2: to end hunger, achieve food security and improved nutrition and promote sustainable agriculture.

Building a portfolio of sustainable brands

We recognise that the market-leading position of many of our brands means that the sustainability measures we take with those products can have an impact at scale. Our market-leading Dare Iced Coffee brand maintains certification under the Rainforest Alliance Standard for the sourcing of coffee, helping coffee growers adopt more sustainable farming practices. Almost 71% of our total coffee powder, sourced by weight, across the Bega Group was certified under the standard. This is an increase of 58% from FY2022.

This year we commenced a national roll out of recycled polyethylene terephthalate (rPET) in our less than 1 litre bottles of Dare Iced Coffee, Big M and Dairy Farmers Classic milk-based beverages. We have also started using 50% recycled high density polyethylene (rHDPE) in our two and three litre white milk bottles and we transitioned our yoghurt tubs from polystyrene (PS) to Polypropylene (PP) and Polyethylene Terephthalate (PET). Across the Group we increased from more than 82% of total packaging by weight which is reusable, recyclable, or compostable in FY2022, to over 88% this year.

The market-leading position of many of our brands also helps us to innovate products for health and nutrition outcomes. Informed by the important work of our consumer insights team, we launched products that respond to evolving consumer preferences for healthier food and beverage choices.

These include products designed to improve health outcomes for consumers with specific needs, such as lactose intolerance, as well as broader public health needs.

We continued to reduce added salt and added sugar in our products, and introduced new "no added sugar" products to our range. New launches also included higher protein, prebiotics, and probiotics in our yoghurts as well as a Bega-branded, plant-based cheese product, the first Australian made and owned, mainstream branded vegan cheese in the Australian market.

As a food producer, we are acutely aware of increasing levels of food insecurity in Australia and the impact it has on consumers. We carefully balance business requirements in a heightened cost environment while remaining mindful of the implications of price increases on Australian consumers.

Our relationship with Foodbank continues to be an important part of our sustainability program. We are Foodbank's fourth largest donation partner nationally, donating more than 886,000 kilograms of products and 230,000 litres of fresh white milk to Foodbank programs this year.

Sustainability across the Bega Group

Our purpose statement – creating great food for a better future – continues to frame our policy approach and focus areas in sustainable development. Underpinned by the principle of circularity, a better future means a better future for all our stakeholders including our farmers and suppliers, our people, our customers and consumers, and the communities in which we operate. It also means focusing on a better future for the environment on which we depend, the society in which we operate and the economy to which we contribute.

From 1 July 2023, a Risk and Sustainability Committee will be responsible for managing our impacts on the economy, environment and people. This will improve our decision-making regarding sustainability. This is a new structure and part of the committee's work over the coming year will include ongoing review of our approach to sustainability including policies, procedures, targets and performance.

In FY2021, we adopted specific targets for carbon emissions, water, packaging, and waste management. Last year, we reported an initial estimate of our scope 3 emissions, showing that scope 3 emissions account for more than 90% of our overall emissions and that emissions associated with dairy farming are the largest single source. We have started work this year, through our relationship with the Bega Circular Valley and the Regional Circularity Co-operative Limited, on a project to better understand scope 3 emissions on farm.

We continue to work on a transformational regional development initiative, together with our project partners, to establish the Bega Valley as the most circular regional economy by 2030. We are providing in-kind support, as well as a funding and land contribution, through the Bega Circular Valley 2030 program, to build a National Circularity Centre in Bega. The NSW State Government has also contributed funding, of \$14 million, for this project.

While we have made progress in some aspects of sustainability, despite considerable investment in training and safety management at sites, our safety performance is not yet where we need it to be.

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Our total recordable injury frequency rate (TRIFR) increased from 14.15 in FY2022 to 17.7 in FY2023. We aim to eliminate all injuries at our sites. Despite our efforts, accidents have occurred. In February one of our subsidiaries was convicted and fined in relation to a March 2021 incident in which a delivery driver was struck by a forklift and seriously injured at our site in the Australian Capital Territory. We deeply regret the accident and are sorry for the significant trauma it has caused. We have since reviewed and updated safety procedures to address the cause of the accident.

We have commenced work on identifying and assessing our climate-related risks and opportunities using the recommendations of the Taskforce on Climate-related Financial Disclosures, in preparation for mandatory reporting proposed by the federal government.

A description of the work to date on climate risk appears in the Operating and Financial Review in our 2023 Annual Report while information on our carbon targets and metrics are presented in this Report. We expect to provide a further update regarding our preparation for mandatory reporting in FY2024.

We thank all our stakeholders, particularly our employees, the executive team, the Board, our farmer suppliers, and other partners for their commitment to our sustainability work throughout the year.



Barry Irvin
Executive Chairman

Peter Findlay
Chief Executive Officer



2023 Performance at a glance

Financial

Top line revenue

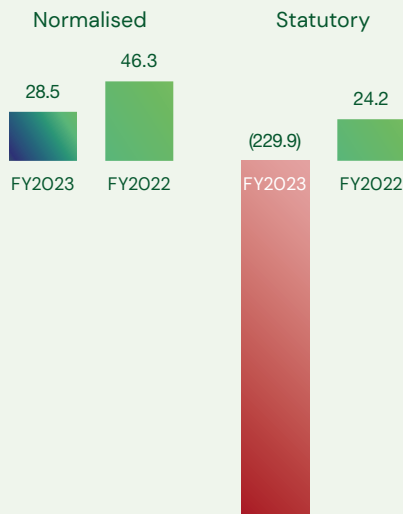
FY2023

\$3.38
billion

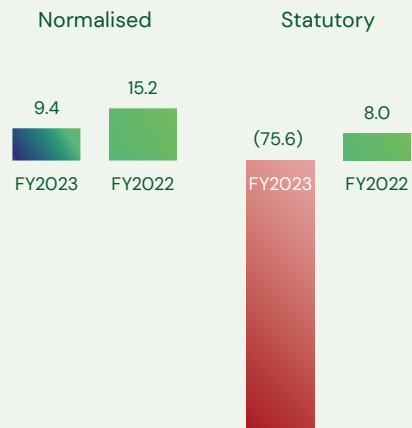
FY2022

\$3.01
billion

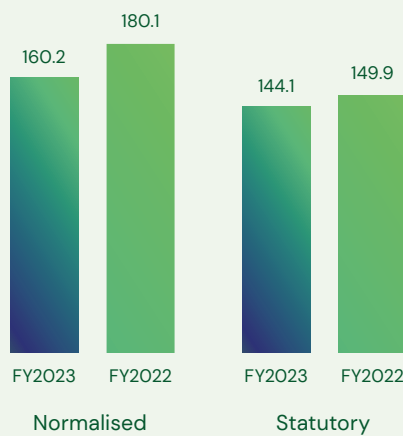
Profit after tax (\$ million)



Basic earnings per share (cents)



EBITDA (\$ million)



Total dividend per share (cents)



Consumer and brand

Australian retail categories in #1 or #2 market share position

FY2023

5

FY2022

5

Branded business share of revenue

FY2023

85%

FY2022

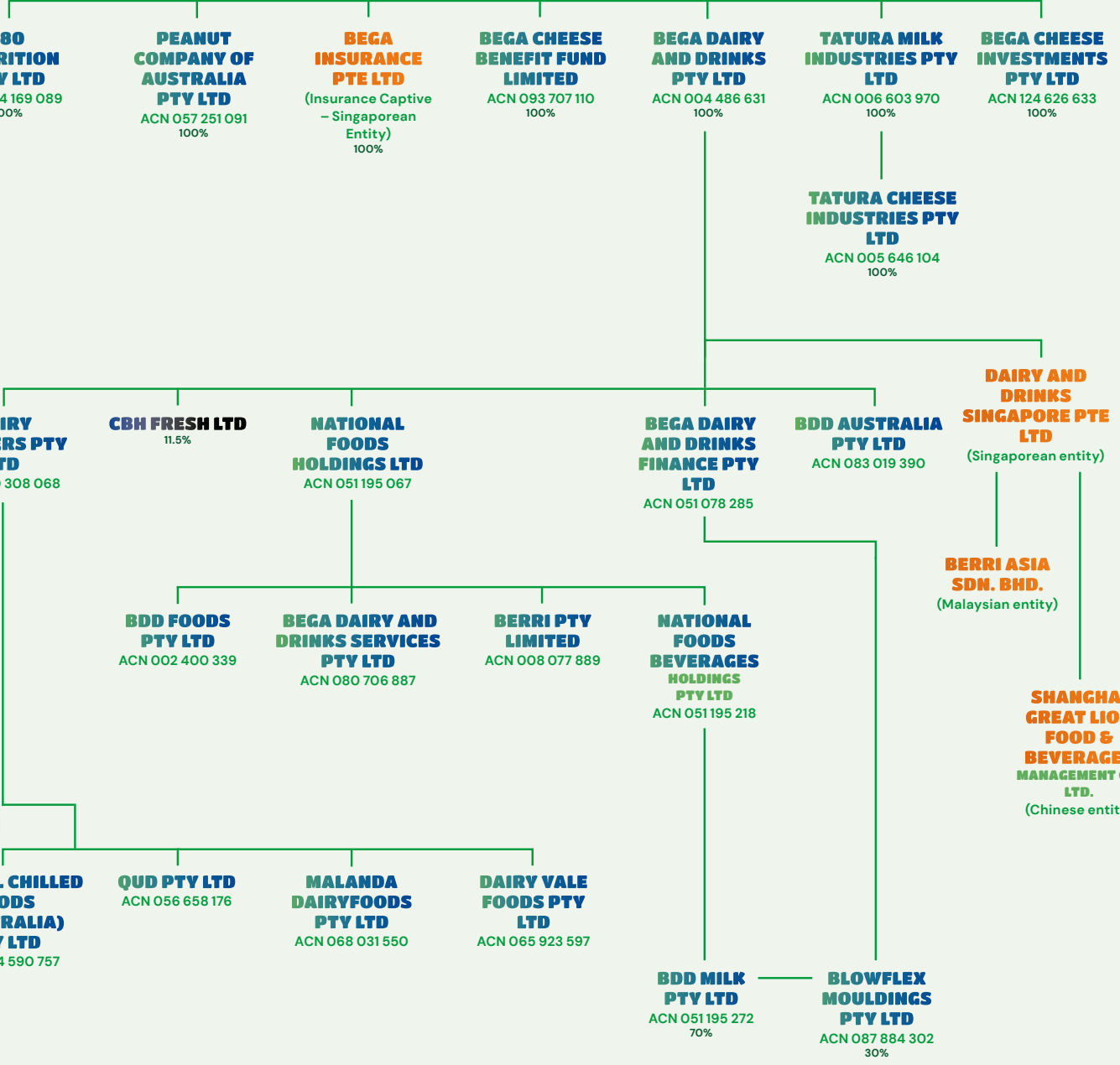
82%

Figure 1: Bega Group financial performance summary.

Company structure

as at 30 June 2023

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WHOLLY-OWNED MEMBERS OF THE AUSTRALIAN GROUP

INTERNATIONAL ENTITIES

JOINT VENTURE

Figure 2: Bege Group entity structure.

Our brands, markets and operations

Our operations

Manufacturing facilities

- 7 White milk and milk-based beverages
- 1 Milk-based beverages hub
- 3 Cheese
- 2 Dairy powder and fats
- 2 Peanuts
- 2 Juice
- 1 Yoghurt
- 1 Spreads

International sales offices

- A China office
- B Malaysia office
- C Singapore office

WE SELL OUR PRODUCTS IN OVER 40 COUNTRIES TO MANUFACTURERS, RETAILERS, DISTRIBUTORS AND AGENTS.

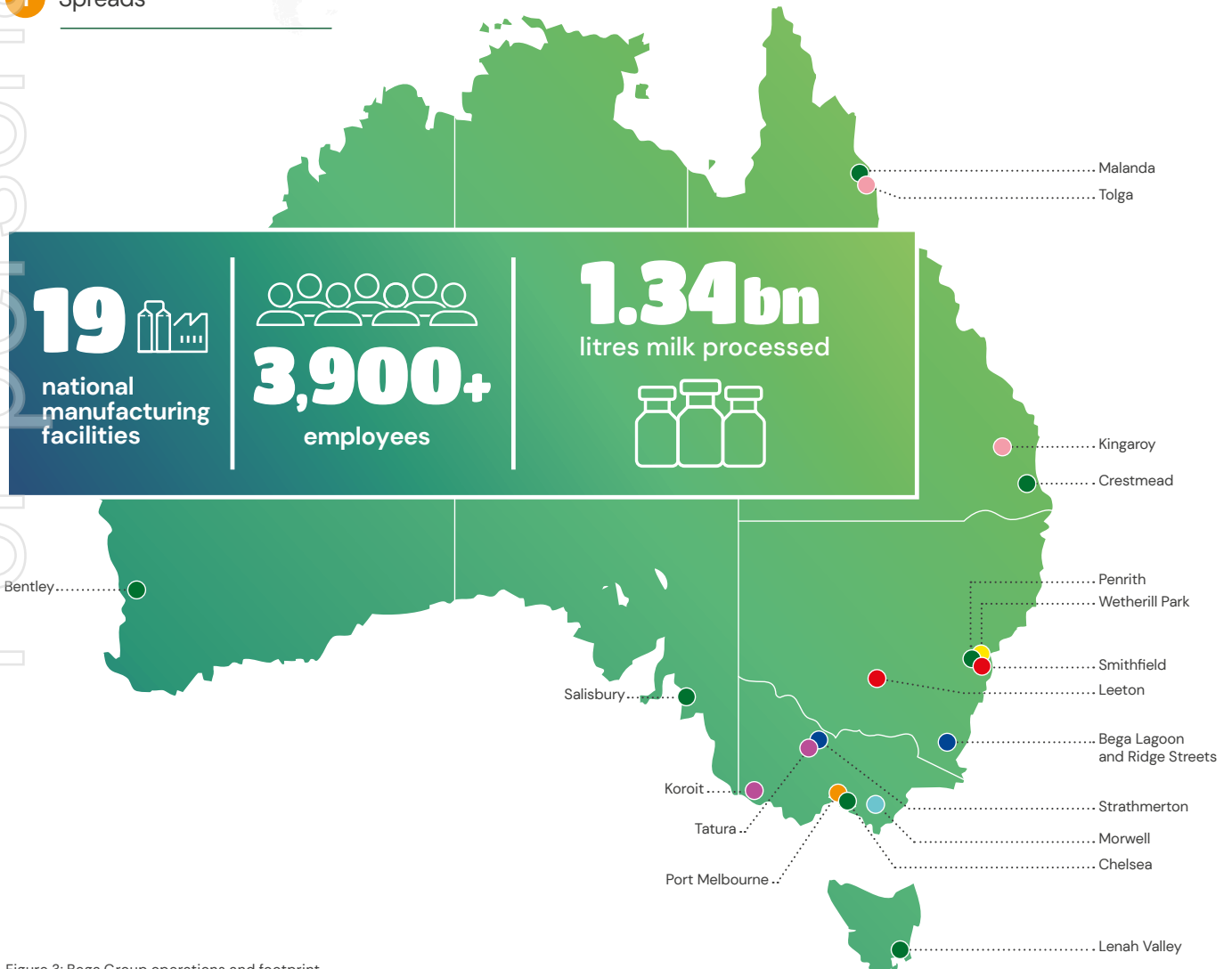


Figure 3: Bega Group operations and footprint.

Bega Group is an integrated producer of packaged food products and ingredients enjoyed in over 40 countries and on which millions of Australians rely.

We operate across two business segments:

1. Branded – consumer and foodservice products sold through grocery, route, foodservice, petrol and convenience channels.
2. Bulk – nutritional powders and dairy ingredients sold primarily to food manufacturers.




















Connecting to consumers through our brands

Bega Group has a portfolio of brands in eight major food categories. Many of these brands are market leaders and are household names trusted by generations of consumers. Our purpose is creating great food for a better future.

The brand portfolio covers a broad spectrum of consumer needs, uses, consumption occasions and sales channels. We manage this portfolio for growth, supported by internal marketing and sales capabilities in brand management, consumer understanding, R&D, category management and an aligned supply chain.

The ongoing investment in our brands ensures we compete in attractive product segments, capitalise on emerging consumer trends, remain relevant, and win consumer preference.

Australian retail categories

	Category		Bega share %	Position #	Brand portfolio
	Size \$m	Growth %			
Fresh white milk	2,118	13	12	3	 PURA M C
Yoghurt	1,740	11	26	1	  
Milk-based beverages	918	13	52	1	  M   
Spreads ¹	700	5	31	1	   
Chilled juice	657	6	22	2	  
Creams and custards	596	16	9	4	 PURA
Water ice	59	9	81	1	 

Data extracted from IRI Total Business Scan (AU grocery Unweighted and Structured Convenience) MAT 30 June 2023. Statements in relation to market share data provided by IRI (and Bega's competitive position) are based on outside data sources, assumptions and weightings in combination with management estimates.

¹ Bega calculation based in part on data reported by NIQ through its Scantrack Service for the Spreads category for the 52-week period ending 20 June 2023, for the Total Australia Grocery Channel according to a client defined category and based on value sales. Copyright © 2023, Nielsen Consumer LLC.

Yoplait brand used under licence.

Figure 4: Bega Group Australian retail categories.

Our strategy and governance

Strategic priorities

Our strategic priorities are areas of focus that support our objectives of sustainable growth and profitability.

Manage portfolio for growth in targeted segments, channels and markets	Targeted investment behind profitable, high-growth branded opportunities, leveraging our distribution reach.
Increase supply chain competitiveness	Continue to improve competitiveness, optimising production capability, efficiency and ingredient supply.
Progress sustainability	Progress sustainability objectives and meet our ESG commitments.
Organisational enablement	Enhance organisational capability to achieve our strategy.

Our governance

Our approach to corporate governance is outlined in our Corporate Governance Statement on our website. It outlines key aspects of our corporate governance and responds to the ASX Corporate Governance Principles and Recommendations (4th edition). It includes references to our charters, policies and codes and should be read alongside the 2023 Annual Report, all of which are available on our website.

Our Code of Conduct was last revised in 2021 and provides a cohesive set of principles by which all officers and employees of Bega Group are required to abide in business and in dealings with stakeholders. The Code of Conduct also covers our reciprocal commitment to fulfil our responsibilities to all employees. Our Standards of Business Conduct also outline the responsibilities that employees, contractors, consultants and directors have to us, including responsible business conduct in relation to human rights. This includes grievance mechanisms through the provision of a whistleblower service provided by an independent third party. Our whistleblower policy is available on our website.

Our Board, as at 30 June 2023, consists of seven directors. We list the directors, and their other current directorships, on pages 35 and 36 of our 2023 Annual Report. We also detail the profiles of directors on our website.

One of the key responsibilities of our Board is to consider the social, ethical and environmental impact of our activities and operations, and to set standards and monitor what we do and the extent to which we comply with our social responsibilities. These responsibilities are listed in the Board Charter, available on our website.

From 1 July 2023 a Board Risk and Sustainability Committee will assume the risk responsibilities of the Audit and Risk Committee (now referred to as the Audit Committee). The new Risk and Sustainability Committee Charter includes a new responsibility to review, report and, where appropriate make recommendations to the Board in relation to our approach to sustainability and Environmental, Social and Governance (ESG) issues. This new responsibility provides greater transparency and decision making in relation to sustainability. Copies of the Risk and Sustainability Committee charter and the separate Audit Committee Charter are available on our website. An internal Sustainability Steering Group will coordinate responses across business units and provide regular updates to the Risk and Sustainability Committee. Work will commence with a review of current strategy and commitments.

Prior to 1 July 2023, the Audit and Risk Committee was responsible for monitoring and review of the risk register annually and the assessment of material risks and their management. This approach is based on AS/NZS ISO 31000:2009. The Audit and Risk Committee also considered our material exposure to environmental or social risks, and how we manage the risks identified. From 1 July 2023, these responsibilities will rest with the Risk and Sustainability Committee.

We outline our approach to remuneration in the Nomination, Remuneration and People and Capability Board Committee Charter and the Remuneration Report section of the 2023 Annual Report. The Chairman, Chief Executive Officer and Chief Financial Officer are expected to execute their duties in a proper and effective manner, lead by example and be role models for safety, quality, and the environment. No short term incentives (STIs) will be paid if during the year there is a major safety, quality or environmental event that was within our reasonable control. The FY2023 STI was not achieved for the Executive Chairman, the Chief Executive Officer and the Chief Financial Officer. These outcomes reflect that the EBITDA and Safety metrics were not achieved under the STI plan in FY2023. Remuneration is reviewed annually by the Board for Key Management Personnel. Shareholders are asked to vote on the adoption of the Remuneration Report at the Annual General Meeting and we publish the result of that vote.

**FOR MORE
INFORMATION ON
OUR APPROACH
TO CORPORATE
GOVERNANCE
AND KEY POLICIES
VISIT:**

[INVESTORS CORPORATE
GOVERNANCE](#)

[BUSINESS CONDUCT](#)

Bega Cheese governance
as at 30 June 2023

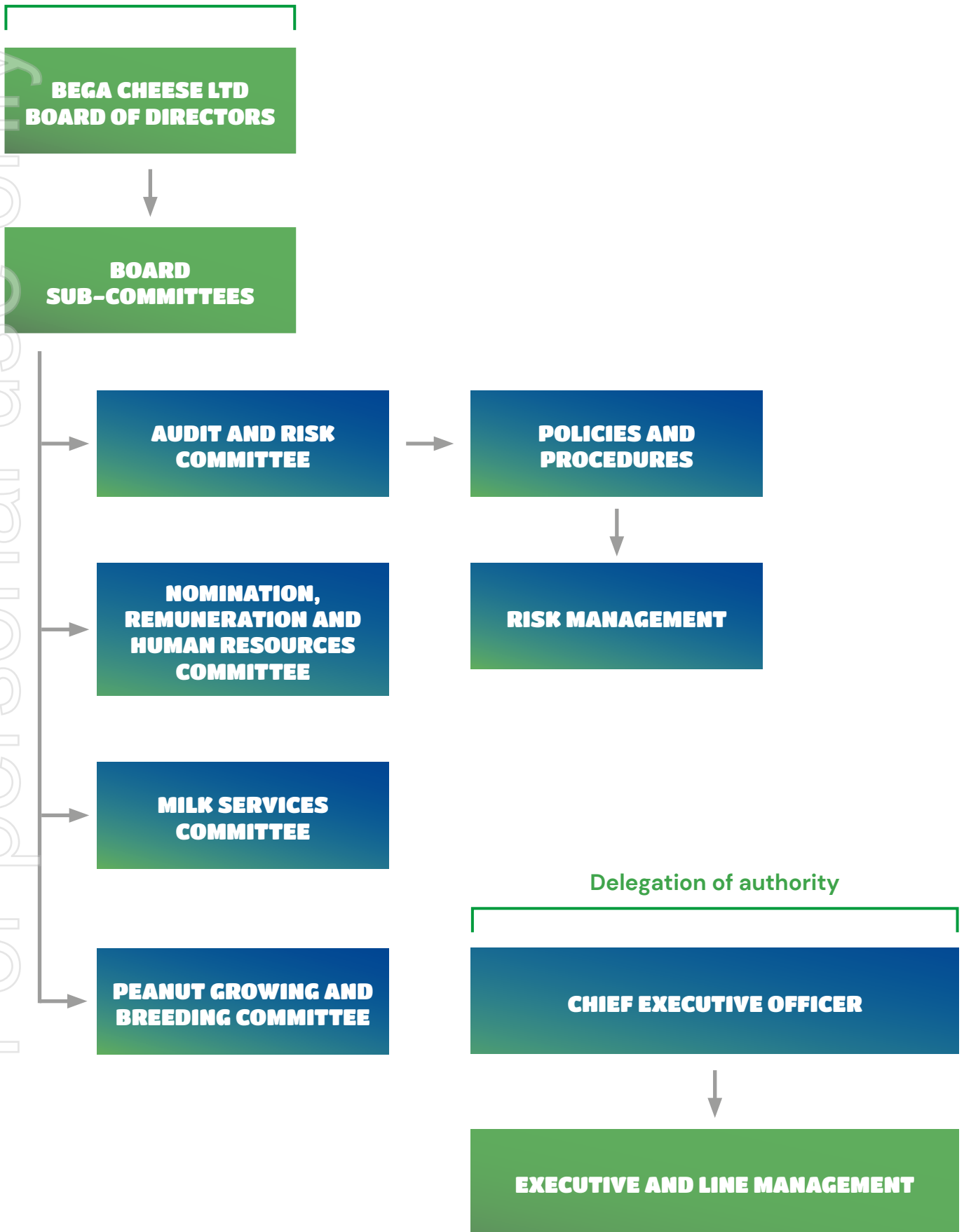


Figure 5: Bega Group governance structure.

Our approach to sustainability: Greater Good

From 1 July 2023, the Risk and Sustainability Committee will be responsible for managing our impacts on the economy, environment and people. The Committee will review our annual sustainability report and other significant disclosures in relation to sustainability and make recommendations to the Board regarding the approval of those documents and matters. This is a new structure and part of the Committee’s work over the coming year will include ongoing review of our approach to sustainability including policies, procedures, targets and performance. This will include delegation or confirmation of responsibilities to specific executive team members.

Our purpose statement – creating great food for a better future – frames our policy approach and focus areas in sustainable development.

A better future means a better future for all of our stakeholders including our shareholders, our farmers and suppliers, our people, our customers and consumers and the communities in which we operate.

A better future also means a better future for the environment on which we depend, the society in which we operate and the economy to which we contribute. Creating great food while using fewer resources in a changing climate is our challenge.

Our Greater Good Strategy is structured around three key areas of impact: our products, our people and communities, and our planet. It aligns with the United Nations Sustainable Development Goals and is underpinned by the principle of circularity. We have identified five priority areas across the business: food and nutrition, packaging, water sustainability, greenhouse gases, and diversity, inclusion and equality. We will review our priority areas in FY2024 when we undertake an assessment of the material impacts our business has on the environment, people and broader economy.



Food and nutrition

Reformulating products to align with nutritional profiling standards and designing product alternatives to meet specific dietary requirements.



Packaging

Developing more sustainable packaging solutions to improve recyclability, with an alignment to the Australian Packaging covenant.



Water sustainability

Investing in capital to improve water systems and process redesign to improve water management throughout our operations.



Greenhouse gas emissions

Reducing our scope one and scope two emissions to achieve our 2030 and 2050 targets and engaging with suppliers and customers to better understand the sources of our scope three emissions and where reduction opportunities exist.



Diversity, equality and inclusion

Creating an inclusive culture, embracing diversity and treating people with respect.

Figure 6: Bega Group sustainability priorities.



Our priorities are aligned with the UN Sustainable Development Goals

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Figure 7: Bega Group Greater Good and alignment to UN Sustainable Development Goals.

Our approach to sustainability: Greater Good

The topics prioritised by the Australian Dairy Industry Sustainability Framework, together with the materiality assessment we undertook in 2019, inform our current approach to reporting. Specifically: product safety and quality, water availability and efficiency, animal care, physical climate risk, farm biosecurity, antimicrobial stewardship, calves (including bobby calves), animal husbandry, resilience of dairy regions, and greenhouse

gas emissions. Although we did not undertake any dedicated materiality assessment or stakeholder engagement to inform this year's sustainability report, we regularly engage with stakeholders at key milestones, including during contract renewals, at negotiation of supply and services agreements, and when advising the community of significant changes to activities at operating sites.

Our stakeholders

Who are our key stakeholders?	How do we engage with them?
<p>Farmers</p> <p>Farmers are essential to our business and our sustainability journey. It is critical that we engage with farmers to understand how we can support them and maintain productive, sustainable relationships into the future.</p>	<ul style="list-style-type: none"> Targeted digital communication tools such as newsletters, email and Vimeo Stakeholder representative groups such as the Grower Advisory Group Forum and Annual Growers Meeting Face to face and direct engagement with our dedicated farm services officers, building 1:1 relationships Making resources available, such as the Better Farms Program, providing farmers with advice and support, training and development, and capital works grants
<p>Suppliers</p> <p>Our suppliers and producers help us meet our shared commitments to build a better future for the environment and communities in which we operate.</p>	<ul style="list-style-type: none"> Through our procurement processes, we communicate our sustainability principles, goals and objectives, and ensure that our suppliers align with these Periodic supplier visits and audits Face to face meetings, regular reviews and dedicated relationship managers Participation in supply chain platforms such as SEDEX
<p>Investors</p> <p>It is our responsibility to deliver returns for our shareholders while meeting our sustainability commitments and responsibilities aligned to our vision of Great Food for a Better Future.</p>	<ul style="list-style-type: none"> Hosting investor meetings and results presentations Reporting through our Sustainability Report, Modern Slavery Report and Annual Report ASX announcements and press releases Annual General Meeting Using digital social channels, such as LinkedIn Monitoring and responding to ESG investment analysts and surveys
<p>Customers</p> <p>Understanding our customers sustainability goals and contributing to them underpins our shared success. The only way we can meet our collective sustainability goals and deliver a better future, is by working together.</p>	<ul style="list-style-type: none"> Hosting customer visits and audits Periodic meetings and reviews via dedicated accounts teams Regular information sharing and status updates with our project teams Producing quarterly reports Access to programs such as SEDEX
<p>Consumers</p> <p>As brand custodians and manufacturers of some of Australia's biggest and most well-known products, it is our responsibility to do the right thing for our consumers and the communities they live in, and to meet their expectations for more sustainable products.</p>	<ul style="list-style-type: none"> Responsive customer service teams across all brands Active engagement on social media channels including Facebook, Instagram and LinkedIn Consumer research programs including monthly brand health listening research General advertising across digital media, out of home signage, on pack and at store
<p>Government & regulators</p> <p>Government policy and regulation impacts our how we conduct business and operations. Understanding the policy position of government, engaging with reporting requirements and contributing to the development of regulations and frameworks through participation and collaboration ensures we are meeting our sustainability obligations.</p>	<ul style="list-style-type: none"> Responding to consultations and requests for information to inform initiatives and policy development Periodic strategic meetings with government departments and regulators Dairy export industry Consultative Committees Statutory reporting, site inspection and audits
<p>Industry associations</p> <p>We work collaboratively to develop our professional networks and a collective understanding of shared areas of interest, support innovation and to contribute to public policy development.</p>	<ul style="list-style-type: none"> Membership of key industry bodies Participation in forums and working groups Representation on collective action groups and industry led initiatives, including the Australian Dairy Sustainability Framework and the Dairy Manufacturers Sustainability Council
<p>Employees</p> <p>People are the heart of our business. Purpose is so important to individuals, it's important our employees and workers have a reason to come to work and that they believe in what we are doing as an organisation.</p>	<ul style="list-style-type: none"> Gallup poll Regular staff surveys Quarterly town halls Internal recognition system, B Valued We actively create opportunities to build communities that cut across our widespread geographical network

Figure 8: Bega Group key stakeholders.

Industry participation and advocacy

We actively contribute to various industry bodies, many of which have a dedicated focus on challenges related to sustainability. These include the: Australian Dairy Industry Council, Australian Dairy Products Federation Incorporated, Australian Packaging Covenant Organisation, Australian Food and Grocery Council, Infant Nutrition Council Australia and New Zealand, Australian Honey Bee Industry Council, Dairy Australia, Dairy Industry Association of Australia, Australian Association of Convenience Stores (AACS) and the Australian Association of National Advertisers (AANA).

Some of our executives and managers serve in roles with various industry associations. During FY2023, Hamish Reid, Executive General Manager Bega Nutritionals and Ingredients, was on the Australian Dairy Products Federation (ADPF) Executive Committee and was Chair of the Board of the Infant Nutrition Council of Australia and New Zealand, of which Tatura Milk Industries is an associate member.



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OUR PRODUCTS

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Responsible sourcing

Our supply chain relationships were characterised this year by disruption and increasing costs, both domestically and globally. Access to labour at our food processing sites, and in the agriculture sector more broadly, also remains a challenge. While supply chain stability continues to be an issue, we address this through business continuity planning and efforts to increase the agility of our supply chain.

We have more than 4,000 suppliers. Most of our supply chain expenditure is in Australia and 83% of our spending continues to be with our first tier suppliers on raw materials, specifically milk. In FY2023, we processed approximately 1.3 billion litres of milk, 37,755 tonnes of citrus, 6,778 tonnes of apples, 1,409 tonnes of pears and 18,000 tonnes of peanuts in Australia. However, we do buy a variety of commodities, locally and off-shore, to support our range of food and beverage brands. Extreme weather events this year contributed to disruptions in commodities such as juice concentrates, peanuts, sugar and tomatoes.

Our standards of business conduct are set out in our Code of Conduct, which set out our commitment to the highest standards of business conduct and ethics. The Code of Conduct outlines requirements suppliers must comply with at all times. These include requirements in relation to child labour and forced labour, working hours, safety and health, wage and benefits, non-discrimination, harassment and abuse, and disciplinary practices. We last updated our Ethical Sourcing Policy in May 2022. This policy aligns with our commitment to the United Nations Sustainable Development Goals and the International Labour Organisation (ILO) Declaration of Fundamental Principles and Rights at Work. It reflects our use of the Supplier Ethical Data Exchange (SEDEX) and sets out our expectations of suppliers regarding their participation in SEDEX. It also encourages employees and suppliers to raise potential compliance issues. Our Responsible Sourcing Code will provide greater detail of our supplier sustainability and responsibility aspirations and the minimum standards we expect of suppliers. We are also reviewing the Ethical Sourcing Policy, and expect both documents to be publicly available on our website by the end of the calendar year.

Our due diligence approach to sourcing is outlined in Figure 9. Our suppliers complete an annual ethical sourcing self-assessment questionnaire (SAQ) and medium to high-risk suppliers may be required to complete an independent compliance audit, specifically the Sedex Members Ethical Trade Audit (SMETA). In FY2023, we screened 923 new suppliers and 120 medium to high risk suppliers completed the SAQ. All high risk suppliers completed the SAQ and 66% of them completed an independent SMETA audit. While no business critical non-conformances were found, there were five critical, four major and seven minor non-conformances recorded, with resolution rates of 40%, 50% and 57% respectively.

As part of our own participation in SEDEX, and to provide assurance to customers, we also undergo third party SMETA audits at selected sites every two years. In FY2023 we completed audits at Vegemite Way, Bentley and Tatura, with audits at Lagoon Street, Ridge Street, Salsibury, Lenah Valley, Strathmerton, Malanda, Kingaroy and Koroit completed in FY2022.

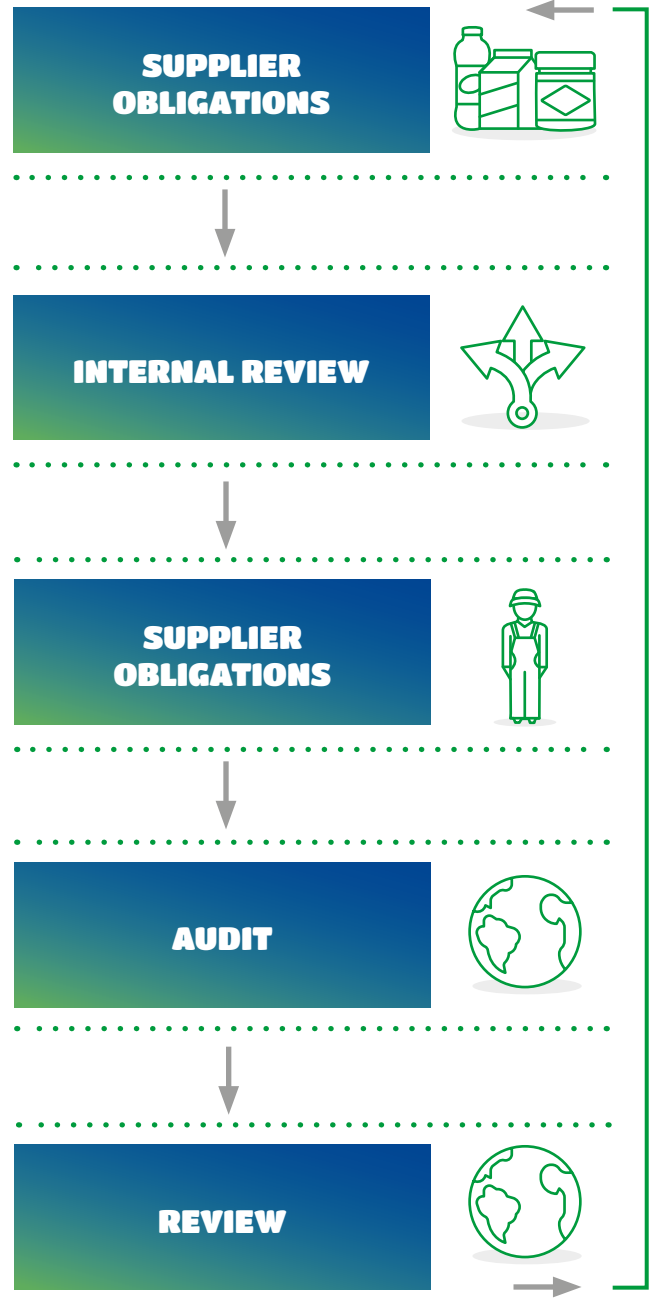


Figure 9: Bega Group supply chain due diligence process.

Modern slavery

We prepare an annual Modern Slavery Statement in accordance with the Modern Slavery Act 2018 (Cth). Our approach to modern slavery is informed by the United Nations Guiding Principles on Business and Human Rights and we are committed to protecting and advancing human rights. We consider the risk of modern slavery in our direct workforce to be low, with the likely sources of such risks being indirect workers engaged through the use of outsourced services or labour hire for services such as cleaning, catering, security, and facilities management, and the use of labour hire contractors in seasonal and manufacturing work.

Our strong relationships with Australian farmers and growers mean that we know the provenance of much of our raw materials. We continue to work with industry organisations, such as Dairy Australia, to identify and collectively address human rights risks in the dairy sector. We have identified high risk commodity ingredients and high risk countries of origin.

These higher risk ingredients include fish oils, alginates, carrageenan, coffee, cocoa, almonds, rice powder, cashews, sugar, salt, fruit and processed fruit, imported Frozen Concentrate Orange Juice (FCOJ), vanilla, coconut, corn-derived sweeteners and palm oil. We source from countries including Brazil, Chile, India, Malaysia, Thailand, Indonesia and China which have increasingly high inherent risk due to forced labour risk. For high risk sources such as these, we focus on traceability, the appropriate use of certifications and standards, and further due diligence where recognised certifications are not available. Refer to pages 58-59 for more information on our progress in sourcing certified coffee and palm oil products.

FOR MORE INFORMATION ON OUR 2022 MODERN SLAVERY STATEMENT, VISIT:

[MODERN SLAVERY](#)

Bega Group supply chain by % of expenditure²

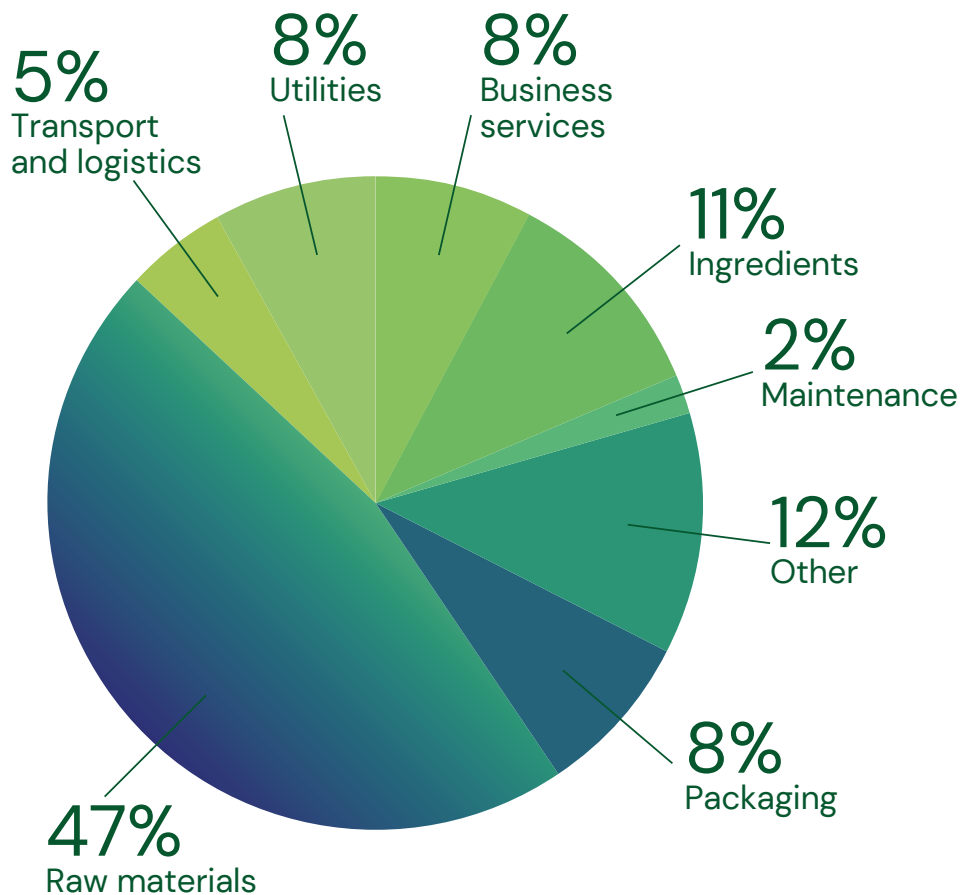


Figure 10: Bega Group supply chain by % of expenditure.

² Bega Cheese data is for the period May 2022 – April 2023 and for Bega Dairy and Drinks and the Peanut Company Australia data is for the period July 2022 – June 2023.

Food safety

In April this year, we reviewed and updated our Food Safety and Quality Policy, which outlines our commitment to supply safe and quality products. It applies to all our manufacturing sites, third party manufacturers producing products on our behalf, and our supply chain. We maintain 100% certification to food safety schemes recognised by the Global Food Safety Initiative (GFSI) of the Bega manufacturing facilities, either under the British Retail Consortium (BRC) Global Standards or FSSC 22000 Global Standards.

We frequently audit our quality and food safety management systems internally and have them audited extensively by second and third parties. In FY2023, we recorded two major non-conformances and ninety minor non-conformances against GFSI audits. We resolved all within the required time period.

While approximately half of our suppliers are in Australia, we also have suppliers in Asia, Europe, South America and the United States. We hold our suppliers to the same standards we adopt ourselves and give preference to suppliers that have certification to a GFSI recognised scheme. We audit our suppliers based on risk, with suppliers considered high risk assessed annually. This year we completed 56 audits for food safety of our suppliers. We sourced approximately 76% of our ingredients from tier 1 suppliers certified to a GFSI food safety certification program.

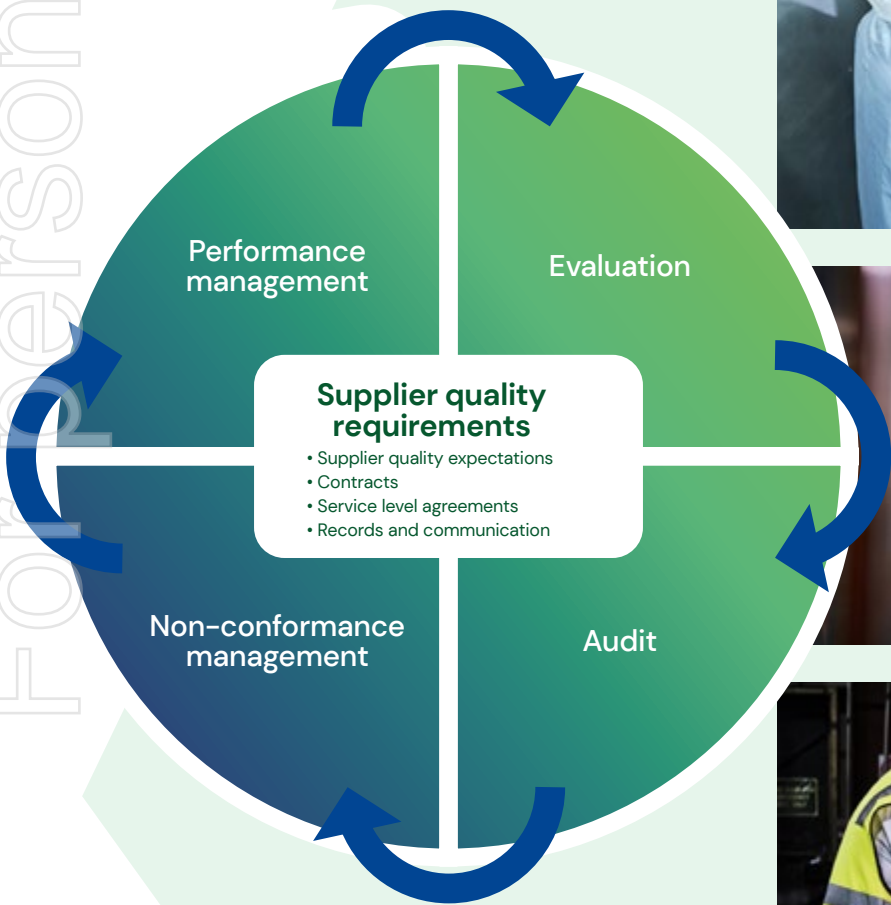


Figure 11: Bega Group supplier quality management model.

This year we conducted a food safety survey of all employees to progress our work fostering a food safety culture across the Bega Group. Almost half our workforce, including managers and line leaders, completed the survey.

On 5 October 2022, a voluntary recall of Dare Iced Coffee 750ml bottles was initiated, under the Australia New Zealand Food Standards, due to the potential presence of plastic pieces originating from the bottle manufacture process. The bottle supplier implemented preventative measures to address the issue immediately, when the source of the problem was known, and we were able to continue to supply product from other manufacturing sites to the affected market within days of the recall notification. In January, we also undertook a voluntary market withdrawal of thickened cream from our plant in Chelsea.

OUR FOOD SAFETY AND QUALITY POLICY IS AVAILABLE FROM OUR WEBSITE AT:
[BUSINESS CONDUCT](#)

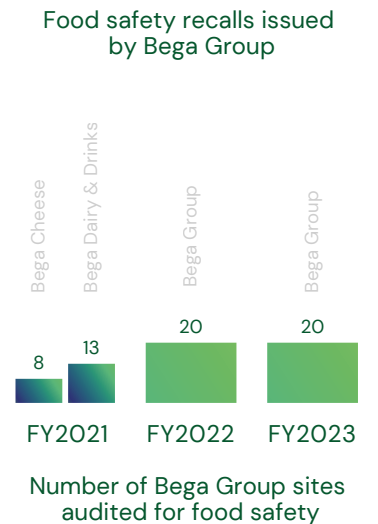
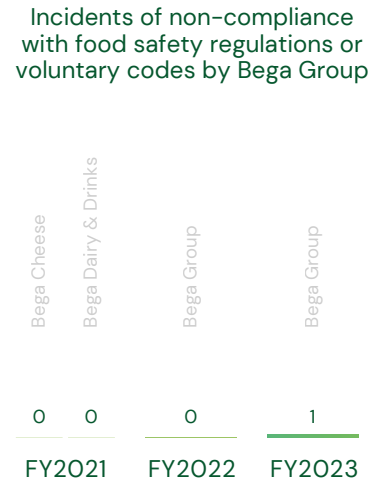
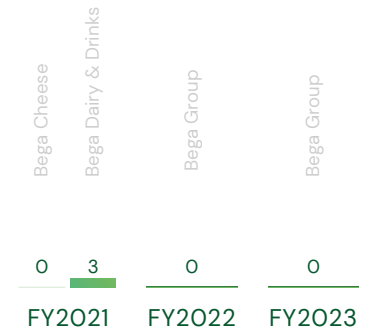
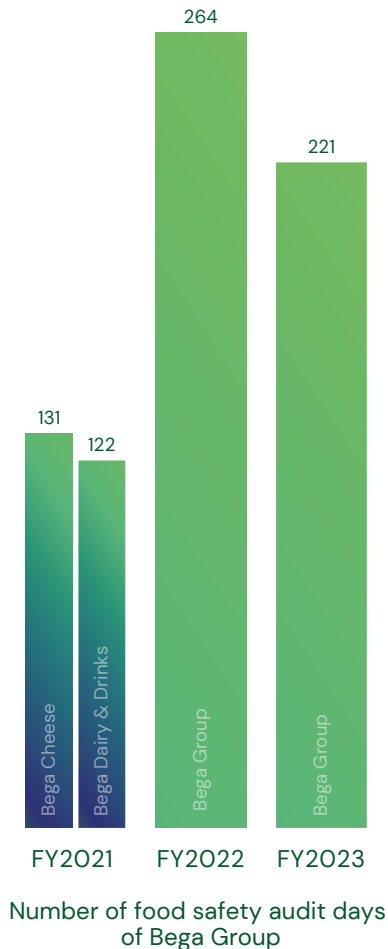
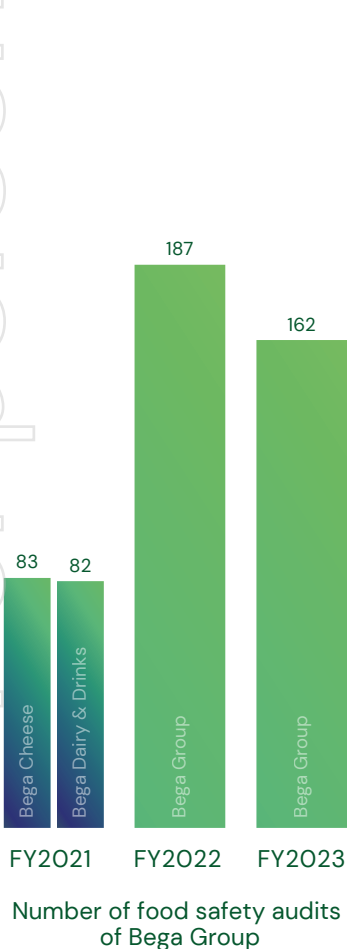


Figure 12: Bega Group food safety performance.

Nutrition

Feeding more people with fewer resources and doing that in a changing climate is one of the most pressing dilemmas of our time. Food security, health and nutrition are central to this challenge. At Bega, we have the unique opportunity, while addressing this, to also improve people's health and wellbeing and address specific nutrition challenges.

Our product portfolio is already high in calcium, which is a common dietary insufficiency in Australia. We monitor and respond to public health concerns, such as obesity and gut health, as well as broader consumer interest in wellbeing and healthy lifestyles.

Our approach to research and technology operates on a networked model, forming and leveraging partnership projects with leading research institutions including CSIRO and RMIT, Deakin, Monash and Melbourne Universities. We fund clinical research and post-graduate work on specific health challenges as well as projects to enhance dairy products.

We partner on two post-graduate research projects looking into algal proteins and their ability to contribute to the functional performance of products. Our research on public health as well as our capability and opportunities for growth guide how we select partners and research projects. For example, our nutrition team maintain a profile of the nutrition and health status of the Australian population, utilising the latest scientific and public health literature. This enables us to identify key nutrition and health challenges that we can help solve through better food and beverages.

Our Bega Sustainable Diet Principles underpin our approach:

- Right portion sizes, eating to needs
- Select local
- Limit waste
- Educate and promote sustainable diet

This year, we continued to reduce added sugar and added salt in our spreads products. We have achieved our target to remove 15 tonnes of salt from Bega Cheese food products by 2023, through salt reductions in Bega Peanut Butter and transition of our 25% salt reduced Vegemite to 40% salt reduced VEGEMITE. We are on track to reduce sugar by 10% in Bega Peanut Butter by the end of the calendar year, having already achieved a 5% reduction in FY2021. Our Dairy and Drinks business continues to increase the percentage of the product portfolio meeting either the "best" or "good" categories of products, as defined by our product nutrition criteria. Last year, 80% of the Dairy and Drinks product portfolio met the criteria, an increase from 70% in 2014. Overall, approximately 65% of our revenue is from products that meet our best and good product criteria, including energy per serve and key nutrients such as sugar, sodium and saturated fat, promoting better health and nutrition.

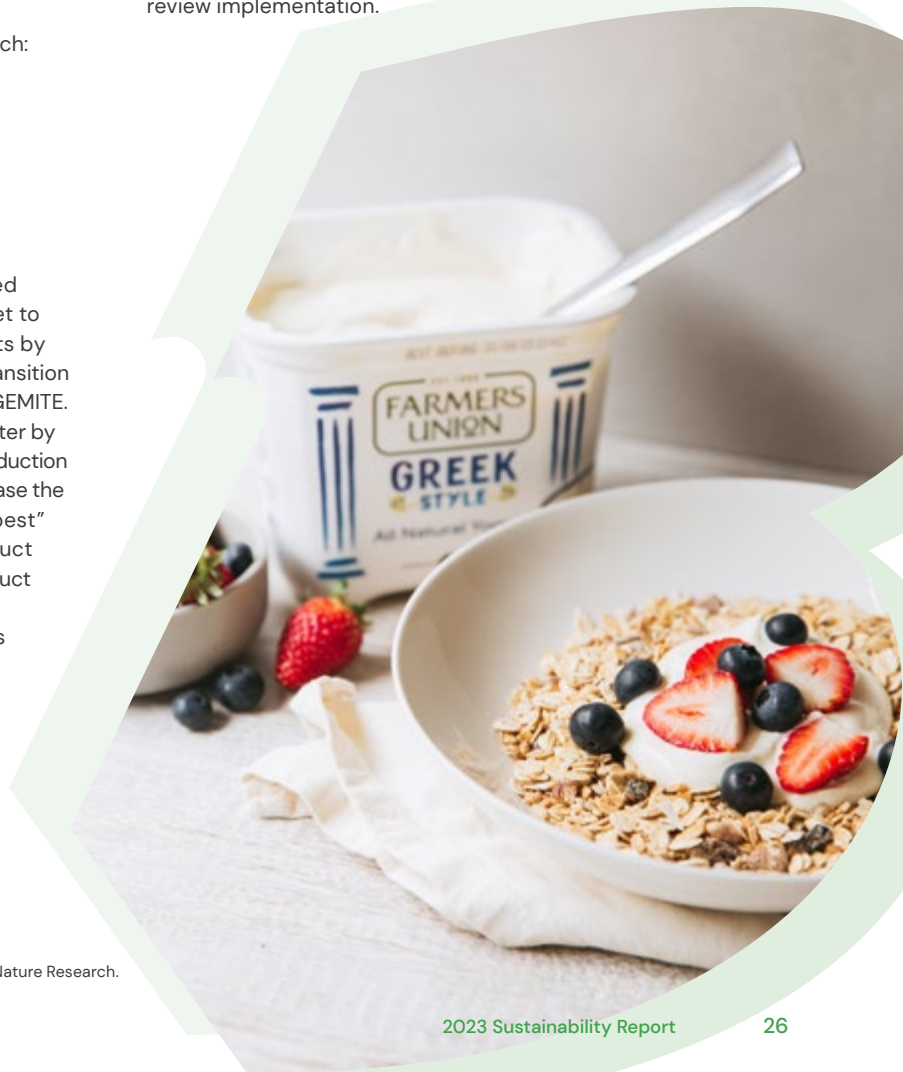
This year we launched products designed to improve health outcomes for consumers with specific needs, such as lactose intolerance, as well as broader public health needs, such as lower sugar options. New launches also included protein fortification, prebiotics, probiotics, and vegan products.

Our Yoplait Protein range responds to the 35% of consumers looking for more protein in their yoghurt³. It includes ten grams of protein and 25% less sugar than regular Yoplait yoghurt. One in every two Australians experiences digestive health problems and many consumers seek food options to address this⁴. Responding to this need we launched our Farmers Union Plus Greek Style Yoghurt single serve product containing prebiotics, probiotics and no artificial flavours, colours or preservatives.

Bega Plant Based Cheddar Cheese is the first Australian made and owned, mainstream branded vegan cheese in the Australian market. Two years in the making, it is halal certified and free from artificial colours, flavours and preservatives.

Transparency

We did not receive any complaints of non-compliance with industry or regulatory labelling or marketing codes in FY2023. We are committed to the Australian Association of National Advertisers (AANA) Food and Beverages Advertising Code which regulates food and beverage advertising in Australia. Our marketing team is trained in the requirements of the Code and our legal and regulatory teams monitor and review implementation.



³ Nature Research, Total Yoghurt U&A (Project Aurora 2.0), 2022.

⁴ 'Yogurt Usage & Attitude Study', 2018, with 6,100 Australians conducted by Nature Research.

Case study

FOR MORE INFORMATION ON THE FERMENTED DAIRY TRIAL, VISIT:

[THE FERMENTED DAIRY TRIAL](#)



DEAKIN UNIVERSITY: TESTING THE GUT-BRAIN LINK IN FERMENTED DAIRY TRIAL

Aligned with our values of creating great food and striving for greater good by combining our success with a positive and lasting impact on others, we support a clinical trial with Deakin University's Food & Mood Centre to investigate the impact of fermented dairy foods on the gut-brain connection.

The interaction between the brain and the bacteria in the gastrointestinal tract is understood to be a major factor in health and wellbeing. Fermented dairy products, like yoghurt, contain "live cultures" of specific types of bacteria that may be beneficial to brain function, cognitive performance, and mood. To date, research on fermented dairy and brain measures is limited. This is what drew us to support a study of the possible impact of fermented dairy on measures of brain function and neurochemistry.

The fermented dairy trial will compare our Farmers Union Greek Style Yogurt with a control non-fermented dairy product in terms of its effect on several areas of brain function. The trial will focus on 40 women aged between 18 and 55 years in the

Melbourne region, who will consume 130 grams of dairy product each day for 8 weeks. Participants will receive a free report on their microbiome.

Findings from the study may be of relevance to public health programs in depression, anxiety, and stress as well as broader national dietary guidelines.

We provide product and funding for this trial but have no input into the conduct, analysis, or publication of the study results.



Case study



Daily Juice
Pre and Pro-biotic
**BEST NON-DAIRY
BEVERAGE**



180 Nutrition Good
Sport™
**BEST DAIRY
BASED BEVERAGE**



Simply Nuts
No Added Salt
**READERS CHOICE
BEST SPREAD**



The Complete Dairy
Light Milk
**BEST MILK
(DAIRY)**

AUSTRALIAN HEALTHY FOOD GUIDE AWARDS: **FOUR BEGA PRODUCTS RECOGNISED** FOR THEIR NUTRITIONAL VALUE

Healthy Food Guide Magazine sponsors the Healthy Food Guide Awards which celebrate the healthiest packaged food products available to the Australian market.

Every year, an expert panel of practising nutritionists and dietitians analyses products from hundreds of brands across major food categories to discover the most nutritious and best value for money packaged food products.

Four of our products won awards in their respective categories in 2022 for their nutritional credentials and great value.

THE 2022 AWARD- WINNING PRODUCTS ARE:

180 NUTRITION GOOD SPORT

SIMPLY NUTS NO ADDED SALT

**THE COMPLETE DAIRY
LIGHT MILK**

**DAILY JUICE PRE AND
PRO-BIOTIC JUICE**

OUR PEOPLE

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Employee wellbeing

Our Code of Conduct is the cornerstone of our commitment to ethical behaviour and responsible business conduct. The Code, which we updated in July 2021, outlines our approach to health and safety, fair business practices, discrimination and employee grievance processes. Each employee is required to read and confirm, by signature, that they understand and will adhere to our Code of Conduct which is available on our website.

We recognise that our values have a direct impact on our attitudes and behaviours, assist in our decision-making and influence the way we interact with our customers and consumers. They are the foundation of our culture and can impact our experience at work and in the marketplace. This year we spent considerable time consulting across the organisation to validate our existing values and help us to identify and define the core behaviours that demonstrate our values in action. By understanding what these behaviours look like, we are better able to reinforce their impact through recognition. During FY2023, we developed and launched our recognition platform, B Valued, which directly references our values and behaviours, visibly recognises team members for demonstrating those values and behaviours, and reinforces and celebrates our values-based culture.

Bega Group seeks to create a culture of care that supports and empowers employees and their families to improve and maintain their wellbeing through healthy lifestyle choices.

To support this, we identified the need for a Wellbeing program that addresses personal factors affecting wellbeing including the workplace environment. The primary focus is on four pillars: Emotional, Physical, Social and Financial wellbeing, and will provide coverage for new legislative requirements around psychosocial hazards in the workplace.

In February 2023, we started the first phases of the program which will be completed by July 2024. A measurement phase will then assess our progress to June 2025.

We have renewed our partnership with the RUOK organisation to promote open conversations about health all year round. During FY2023 and taking place across FY2024, the RUOK roadshow will visit Bega Group sites to continue education on mental health and the services available for help. We will continue to communicate RUOK to our customers on our products including the Dare Ice Coffee range and Pura Milk during FY2024.

The Bega Support Fund was established to provide financial support to employees and their immediate families who are experiencing tragic, extraordinary or compassionate situations and are unable to meet associated costs. The type and level of support varies based on the circumstances. The Fund has an established committee that receive applications for consideration and assess the circumstances for type and level of support.

OUR PURPOSE IS...
CREATING GREAT FOOD FOR A BETTER FUTURE

OUR VISION IS...
TO BECOME THE GREAT AUSTRALIAN FOOD COMPANY

OUR VALUES

- GROW**
our people
- PASSION**
for the customer and consumer
- INVEST**
in our future
- SUPPORT**
each other

OUR BEHAVIOURS ARE OUR VALUES IN ACTION

- BE CARING**
"We look out for each other"
- BE INCLUSIVE**
"We all belong"
- BE OPEN**
"We embrace change"
- BE COURAGEOUS**
"We think big and back ourselves"
- BE COLLABORATIVE**
"We achieve greater outcomes together"
- BE COMMITTED**
"We own it and deliver it"

Figure 13: Bega Group behaviours and values.

OUR BEHAVIOURS ARE OUR VALUES IN ACTION...

Be Caring



"We look out for each other"

This means we show respect and empathy and are there for each other so that everyone feels safe and supported.

Be Inclusive



"We all belong"

This means we are allies and actively remove any barriers so that everyone is heard, feels like they belong, is able to contribute and can always be themselves.

Be Open



"We embrace change"

This means we apply a growth mindset to opportunities and challenges and seek and embrace feedback. We own our personal development so that we continually learn and grow together.

Be Courageous



"We think big and back ourselves"

This means we are curious, question the status quo, and willingly and confidently seek new approaches to strive for a better future.

Be Collaborative



"We achieve greater outcomes together"

This means we seek each other's perspectives and draw on individual strengths, share knowledge, and recognise contributions so that we all work together to make a difference.

Be Committed



"We own it and deliver it"

This means we take ownership, are accountable and have pride in our work. We build trust by doing what we say we will do so that we achieve the right outcome for Bega and our customers and consumers.

Figure 14: Bega Group behaviours in action.

Case study

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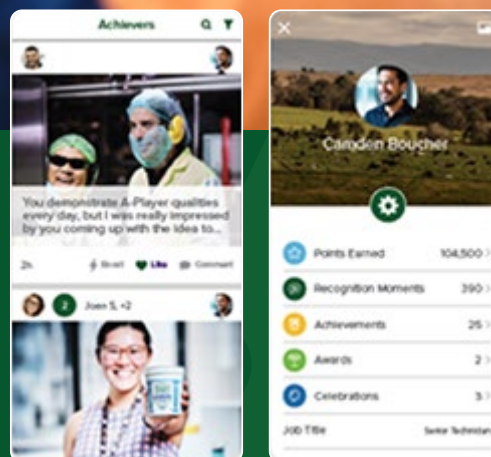


B VALUED: EMBEDDING A SET OF UNIFYING VALUES AND BEHAVIOURS

From September 2022, we rolled out B Valued, a new Group-wide reward and recognition program for employees.

Linked to our values, and the recently defined behaviours that support those values, B Valued celebrates our people. It enables peer recognition to be accessible and visible to all employees irrespective of their location and function. The program can be accessed via mobile or desktop devices easily and in a timely manner. Although this does not replace a need for face to face, meaningful and timely recognition, it does allow for specific values-based behaviours to be reinforced and rewarded and encourages all our people to be on the lookout for these values and behaviours in others on a day to day basis.

The program reinforces and embeds our newly defined behaviours which are the culmination of work to bring together staff members from across the whole business and transform us into "One Bega".



These new, shared behaviours reflect the organisation we aspire to be.

More than half of our employees have accessed the program with 70% of managers sending recognition moments each month.

In the last six months:

- 83% of employees have received at least one recognition
- 52% of employees accessed B Valued each month
- 94% of managers have recognised their colleagues
- 16% of recognitions have been sent outside of the person's usual work group

Workplace safety

In June 2023, we revised our Health and Safety Policy which outlines our commitment to providing a healthy and safe workplace for all our employees, contractors, and visitors. Our people are our greatest asset, and our duty to protect them from harm is our greatest responsibility. We believe that all incidents, injuries and workplace illnesses can be prevented and that everything we do can, and shall, be done safely. This belief is fundamental to our culture and underpins everything we do, every day.

Our policy applies to all our manufacturing and network logistics sites and commercial offices in Australia. It includes our sales teams and field support teams working domestically or overseas in all locations where we have management control.

Our Safety Management System, outlined in Figure 15, supports our compliance with the relevant laws of those Australian states in which we operate. This year we continued to integrate the Bega Dairy and Drinks business and align our safety management systems, developing a Group-wide approach to safety that prioritises effective management of our critical safety risks, drives continual improvement of safety performance, and allows us to meet our safety objectives.

In September 2022, we launched our six Life Saving Rules that apply to the critical risks of machine safety, pedestrians, forklift drivers, working at height, confined spaces and electrical safety. The launch included a business-wide safety pause to support detailed discussions on the importance of the Life Saving Rules and what they mean in practice to ensure a safer workplace. We have now embedded these critical safety rules in our business.

We continued our safety culture transformation program throughout FY2023 with assistance from independent consultants, dss+. We conducted safety leadership workshops for more than 500 of our leaders and delivered training, targeted at our operations team, to increase the awareness of risk present in our workplaces and to help them understand how best to work safely to avoid injuries. We also developed and communicated our Bega Group safety logo and commitment 'Always Safe Together' to create prominent, easily recognisable safety branding, reinforcing the importance of safety and aligning the understanding and importance of safety across our workplaces. Through FY2023, our engagement with dss+ focused on building internal capability, particularly among our leaders, to reduce reliance on external providers as we transition to the next phase of the program.

Key safety performance data for the past three financial years is presented in Figure 18. The entities included in the safety data are listed in Appendix A. The data covers all entities and sites for each of Bega Cheese and Bega Dairy and Drinks for FY2021 with reconciled data presented as Bega Group for FY2022 and FY2023. In FY2023, there were no workplace fatalities and our Total Recordable Injury Frequency Rate (TRIFR)⁵ was 17.7. Recordable injuries include all lost time injuries, medical treatment injuries and restricted work injuries. There were 19 high consequence work related injuries this year. This includes Lost Time Injuries (LTI), Medical Treatment Injuries (MTI) and Restricted Work Injuries (RWI)⁶.

We include, in our safety performance data, all incidents and injuries involving employees, labour hire, contractors and visitors at all our manufacturing and network logistics sites and commercial offices in Australia. The safety performance data also includes sales and field support personnel working domestically or overseas across all locations where we have management control.

Despite our efforts, in March 2021, a delivery driver was struck by a forklift and seriously injured at our recently acquired site – Capitol Chilled Foods (Australia) Pty Ltd in the Australian Capital Territory (ACT). We deeply regret the accident and are sorry for the trauma it has caused. In February of 2023, our subsidiary Capitol Chilled Foods (Australia) Pty Ltd was convicted of a category two safety breach causing a risk of death or serious injury in respect of this accident, with a \$300,000 fine imposed by the Magistrates Court of the Australian Capital Territory.

⁵ TRIFR is calculated as the total number of recordable injuries for each million hours worked.

⁶ High consequence work-related injuries are those from which the worker cannot, does not, or is not expected to recover fully to pre-injury health within six months.

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Figure 15: Bega Group Safety Policy.



8 SAFETY PRINCIPLES

- 1 PRIORITY**
We always put safety first
- 2 CARE**
We genuinely care about the safety and wellbeing of each other
- 3 PREVENTION**
We believe that all incidents, injuries and workplace illnesses can be prevented
- 4 RECOGNITION**
We recognise positive safety behaviours
- 5 COURAGE**
We have the courage to never walk past a safety concern or unsafe behaviour
- 6 OWNERSHIP**
We all own safety and accept accountability for our choices and actions
- 7 ENGAGEMENT**
We constantly engage with each other to resolve or escalate safety concerns and share best practice
- 8 INVESTMENT**
We invest in workplace safety and the ongoing development and training of our people

Figure 16: Bega Group 8 Safety Principles.

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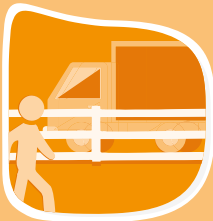


LIFE SAVING RULES



MACHINE SAFETY

I always follow site Lock Out Tag Out (LOTO) procedures when accessing machinery.



PEDESTRIANS

I always maintain three (3) metres distance from an operating vehicle (forklift, truck, ride-on material handling equipment, stock picker) unless separated by a risk assessed barrier.

I always stay clear of a suspended load.



FORKLIFT DRIVERS

I always maintain three (3) metres distance from a pedestrian unless separated by a risk assessed barrier.

I always ensure I only block stack materials above two (2) metres that have written site management approval.

I always immediately report all forklift impacts to racking.



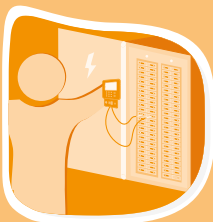
WORKING AT HEIGHT

I always have a managing risks from falls permit when not on a fixed platform and when working above two (2) metres.



CONFINED SPACE

I always have a valid confined space permit which I comply with when entering a confined space.



ELECTRICAL SAFETY

I always have a valid licence to perform electrical work.

I always test and confirm 'zero potential voltage' before touching electrical work.

Figure 17: Bega Group Life Saving Rules.

Bega Cheese Group safety performance

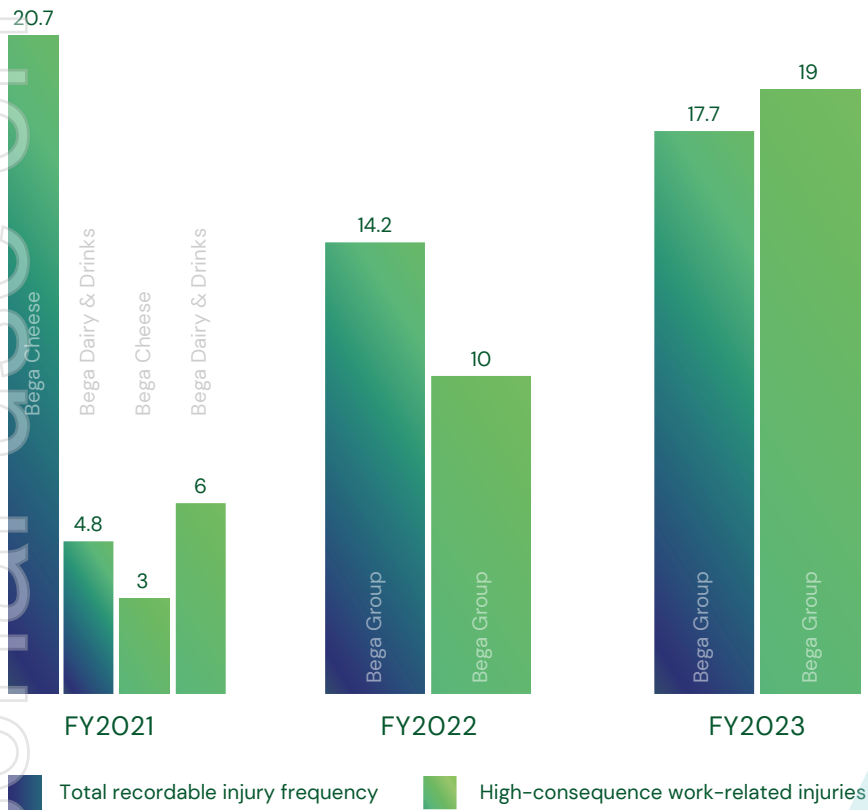


Figure 18: Bega Group Safety Performance FY2021 – FY2023.



Case study



SAFETY PAUSE

On 6 September 2022, Bega Group held a company-wide “pause” to support our people, align perceptions of risk across the business and ensure a safer workplace for all.

Members of the Executive Team and senior leaders led the safety pause across all manufacturing sites, offices and the cold chain network. We scheduled and held the safety pause over two hours, at a time of day that coincided with shift changes at operational sites to ensure that the majority of people in our business could participate.

We launched our Life Saving Rules during the safety pause. The rules are designed to protect our people from the highest consequence risks in our business. Participants broke into small groups to discuss each of our Life Saving Rules in detail.

“THE EXAMPLES, THE PERSONAL REFLECTIONS AND THE GROUP DISCUSSIONS MADE SAFETY FEEL VERY ‘REAL’ FOR ALL OF US”

Salisbury site

“THE BIGGEST GATHERING IN YEARS. REALLY ROBUST DISCUSSION IN THE BREAK-OUTS”

Docklands site



Diversity and inclusion

The Bega Cheese Diversity and Inclusion Policy, last updated in July 2021, is currently under review and will be updated next year. Our Diversity and Inclusion Strategy provides an overarching framework and is based on three pillars: fostering inclusive leadership, supporting working families and developing women leaders.

This year we joined the Diversity Council Australia as a commitment to promoting equity and inclusion in our business. The Diversity Council Australia is Australia's only independent, not for profit peak body for workplace diversity and inclusion. It provides members and member staff with free access to a unique knowledge bank of research, best practice and expertise across all dimensions of diversity.

This year we started work on a new remuneration architecture to bring together pay structures into a single approach for the Group. In June 2023, we partnered with external consultants to conduct in-depth analysis of the factors influencing pay for salaried employees within the organisation, with a focus on gender equity. The analysis of fixed pay for salaried employees within the company was conducted using a multiple linear regression approach, based on data provided by management. It is important to note that the analysis methodology used by the Workplace Gender Equality Agency (WGEA) differs from a multiple linear regression approach, and hence will likely produce a different result to the WGEA calculated gender pay gap. The results of the multiple linear regression approach revealed a pay gap of 1.8%. This result will be used as a first benchmark to underpin the future of our Gender Pay Equity Strategy. The gender pay gap as reported by the Workplace Gender Equality Agency using their methodology of organisation-wide gender pay gap was reported as 13.4% in FY2023. The Agency advised that our pay parity rank was 24 out of 85 peer industry organisations for FY2022, with an updated ranking yet to be provided for FY2023.

After a successful pilot program at our Port Melbourne site in 2020, Lean In Circles were offered to the wider organisation in 2022. Based on Sheryl Sandberg's book, Lean In, the program aims to support workplace diversity, inclusion and connection.

"THE CIRCLE HAS FAR EXCEEDED MY EXPECTATIONS. OUR CIRCLE HAS PROVIDED A SAFE PLACE TO TURN WITH OUR WINS, LOSSES AND CHALLENGES OVER THE LAST YEAR. WE ARE MADE UP OF AN INCREDIBLE, DIVERSE MIX OF PEOPLE ALL WITH DIFFERENT EXPERIENCES."

We have had an enthusiastic response, with more than 50 participants forming seven circles. The main objectives for those joining the circles are networking, connecting with like-minded people, growing confidence, greater understanding of the business and leadership mentoring. The circles are open to all genders, with 20% of participants identified as male. In FY2024, we will start with more than 50 participants nominating for the program, with an additional eight past circle participants nominating to become leaders.

In early FY2023, we signed on to the HESTA 40:40 Vision, an investor-led initiative to achieve gender balance in executive leadership across all ASX300 companies by 2030. 40:40 stands for 40% women, 40% men and 20% any gender and signing up to this initiative demonstrates our commitment to workplace gender equality and an alignment with the UN Sustainable Development Goal - to achieve gender equity and empower all women and girls. We have set our goals to reach the 40:40 Vision target of 40% women on our Executive Leadership Team - 20% by 2024, 30% by 2027 and 40% by 2030.

We report to the Workplace Gender Equality Agency (WGEA) against the standardised gender equality indicators, in accordance with the requirements under the Workplace Gender Equality Act 2012 (Cth). We submitted our report for the 12-month period ended 31 March 2023 and have received a notification of compliance from the WGEA.

Our diversity + inclusion strategy

"We all belong"




At Bega, Diversity and Inclusion is about building a workplace that's rooted in Belonging. In order to drive real change, we're investing in the following strategic areas:

Developing
Women leaders

We seek the different skills and ideas women bring, believing gender-equal workforces perform better and are more productive.

Supporting
Working families

We want to actively support the families of Bega because we want to do more to support our team members to be the best they can be at work and at home.

Inclusive leadership

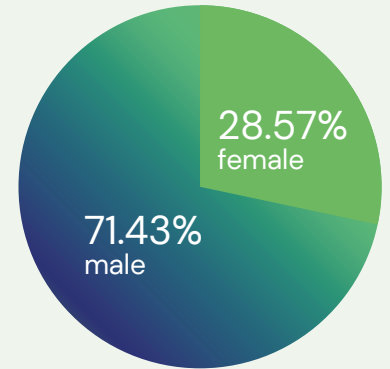
We want our teams to include people, all with different elements of diversity so we celebrate diversity and promote belonging through inclusion. We want to foster a workplace that supports active collaboration so that together, we can achieve improved performance and increased innovation.

Figure 19: Bega Group's approach to diversity and inclusion.

Gender representation

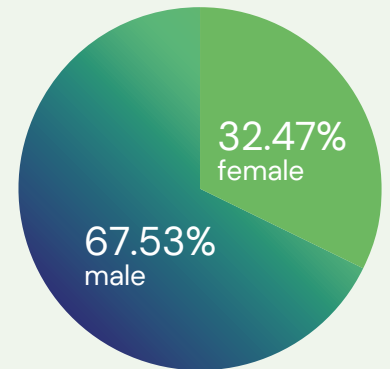
Board members

28.57% female and
71.43% male



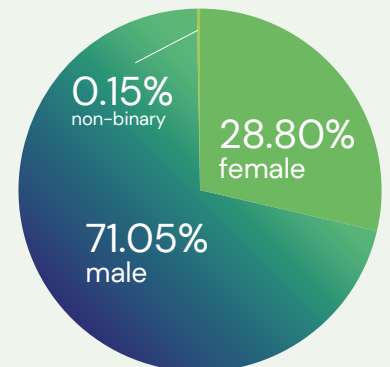
Management

32.47% female and
67.53% male



Non-management roles

28.80% female, 71.05% male
and 0.15% non-binary



Overall workforce

29.13% female, 70.74% male
and 0.13% non-binary

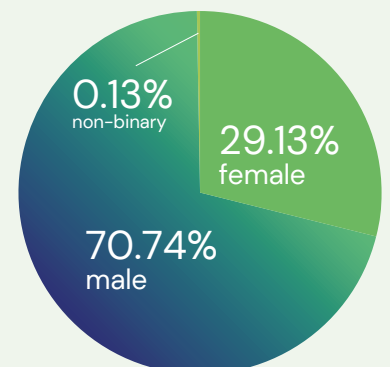


Figure 20: Gender representation in the workforce.

Age representation

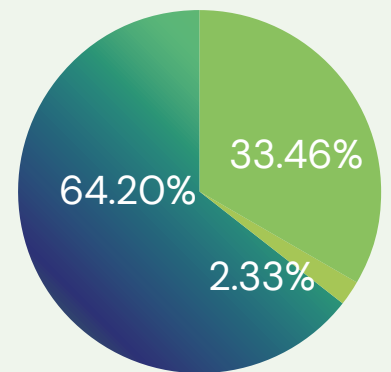
Board members

0.00% < 30 years of age,
0.00% 30–50 years of age,
100.00% 50+ years of age



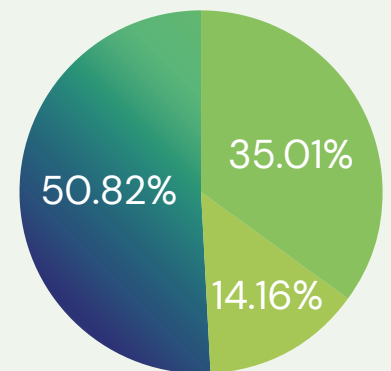
Management

2.33% < 30 years of age,
64.20% 30–50 years of age,
33.46% 50+ years of age



Non-management roles

14.16% < 30 years of age,
50.82% 30–50 years of age,
35.01% 50+ years of age



Overall workforce

12.59% < 30 years of age,
52.49% 30–50 years of age,
34.92% 50+ years of age

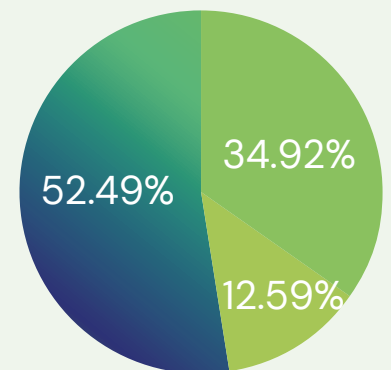
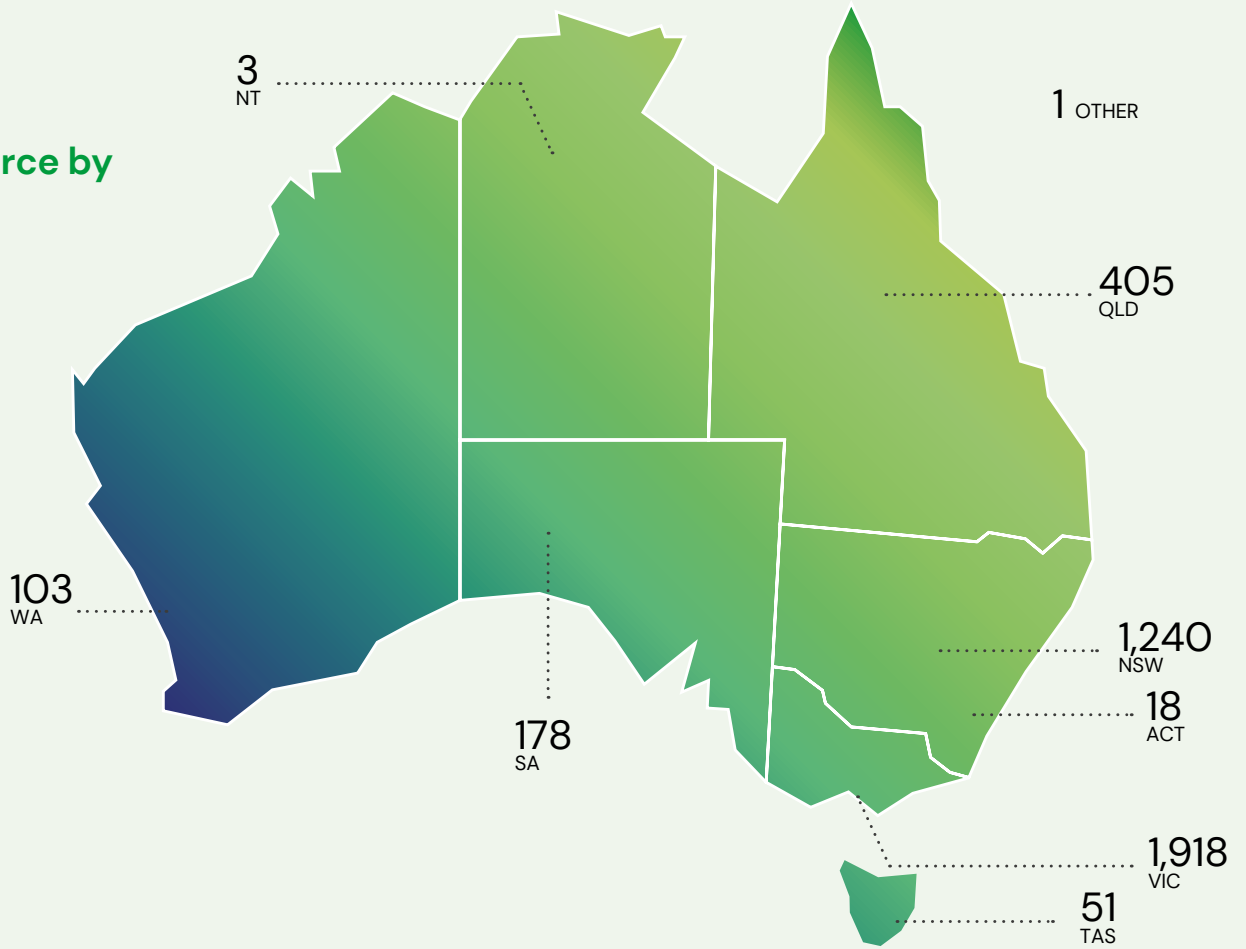


Figure 21: Workforce by age group.

Workforce by region



3,917
employees

57%
with employment
arrangements covered
by a collective
bargaining agreement

**FOR MORE INFORMATION ON
OUR CODE OF CONDUCT, VISIT:**

[BUSINESS CONDUCT](#)

**FOR MORE INFORMATION ON
OUR DIVERSITY AND
INCLUSION POLICY, VISIT:**

[INVESTORS CORPORATE GOVERNANCE](#)

**FOR MORE INFORMATION ON
OUR REPORTING TO THE
WORKPLACE GENDER AND
EQUALITY AGENCY, VISIT:**

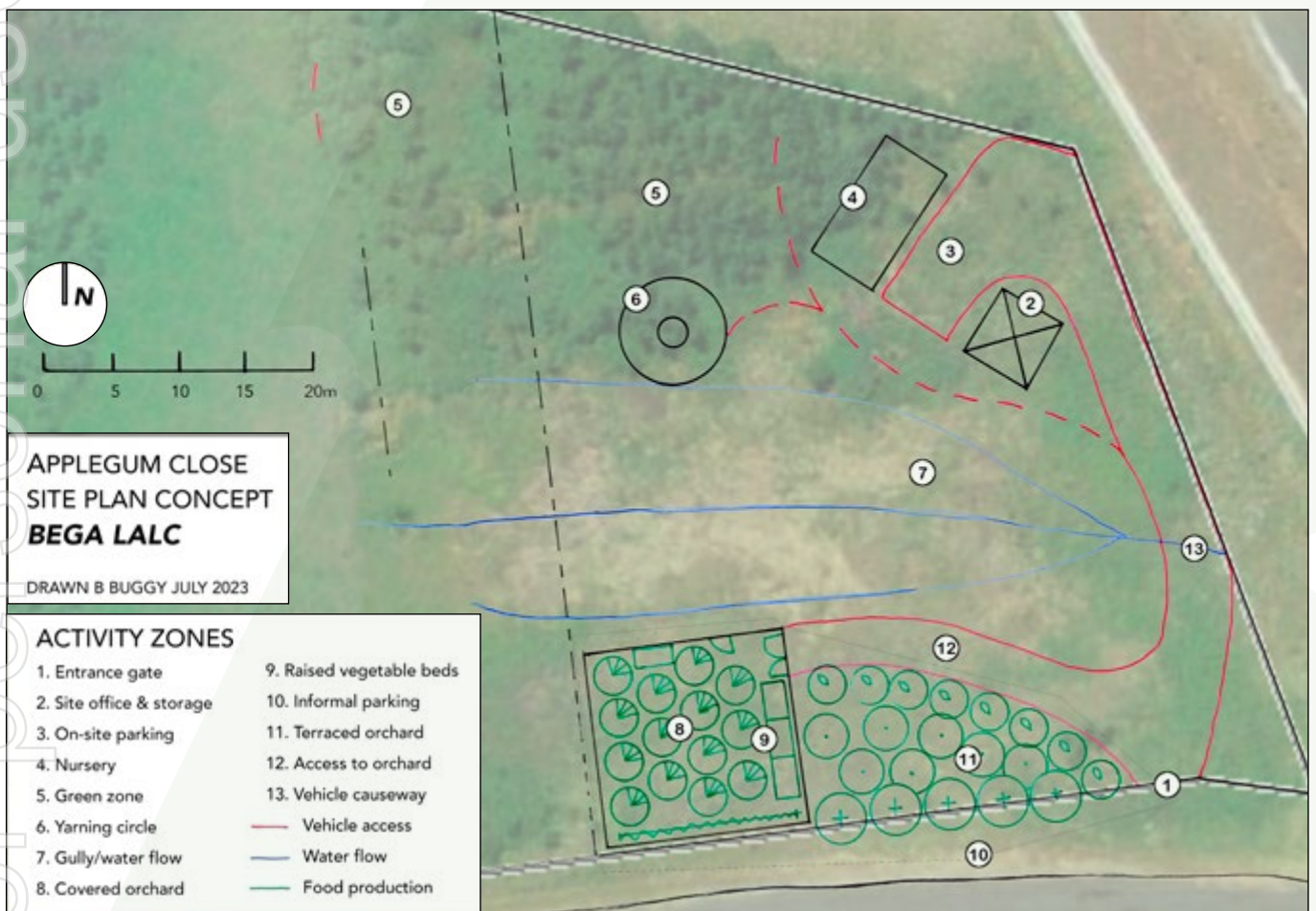
[WGEA](#)

Figure 22: Workforce by Region.

Working with local communities

Welcoming stakeholders and friends to the Bega Valley

This year we welcomed almost three hundred people back to the Bega Valley for our annual Bega Group Corporate Event. First held in 1991, the event has been on hold since 2020 due to COVID-19 restrictions. For the first time in three years we welcomed new suppliers, customers, business partners and friends to a choice of activities from bushwalking and wine tasting to game fishing and golf, all showcasing the region. The event also raised \$125,000 for the Bega Local Aboriginal Land Council's horticultural project.



\$125,000 raised for the Bega Local Aboriginal Land Council's horticultural project

Figure 23: Applegum Close Site Plan Concept.

Food security

Our values are strongly tied to our vision to be The Great Australian Food Company and our purpose of creating great food for a better future. Being inclusive is one of our values. This means that the better future which we strive to create applies to all people, not only employees.

We also pursue our quest to create great food for a better future through our commitment to the United Nations Sustainable Development Goals, specifically our contribution to the UN Sustainable Development Goal #2 – to end hunger, achieve food security and improved nutrition and promote sustainable agriculture.

Australia is a net exporter of food and ranks as one of the most food secure countries in the world. However, vulnerable communities continue to experience barriers to access affordable nutrition while recent increases in the costs of living have resulted in rising food insecurity in Australia. This trend is expected to continue. Food insecurity is associated with poor physical and mental health and also impacts both employment and education.

In October 2022 the Australian government commenced an inquiry into food security in Australia to examine a range of issues from national production and export and production costs to the potential opportunities and threats of climate change. The Australian Dairy Products Federation (ADPF) made a submission to the inquiry, representing dairy processors and producers. The ADPF recommended the development of a National Food Security Resilience Plan involving multiple stakeholders and businesses along the food value chain. We look forward to engaging with the government’s response in the coming year, along with other food producers and partners.

In the meantime, our ongoing partnership with Foodbank allows the food relief organisation to support 2,650 frontline charities and 3,000 school breakfast programs to get more than one million meals out per month to those in need. Bega Group is now Foodbank’s fourth largest donation partner. Foodbank supplies food and groceries to charities for distribution to help address food insecurity; sourcing food and groceries from farmers, manufacturers and retailers. In FY2023, we donated over 886,000 kilograms of products, equating to nearly 1.6 million meals for Australians in need. In addition to this we have scheduled and produced over 230,000 litres of fresh white milk for Foodbank’s National Collaborative Supply Program, which helps improve certainty in their supply chain.

FOR MORE INFORMATION ON THE INQUIRY INTO FOOD SECURITY IN AUSTRALIA, VISIT:

[FOOD SECURITY IN AUSTRALIA](#)

FOR MORE INFORMATION ON FOODBANK, VISIT:

[FOODBANK](#)



Figure 24: Foodbank staff visiting our Bentley site in March.

BEGA CIRCULAR VALLEY 2030 PROGRAM: TOGETHER FOR A STRONGER BEGA

The 'Bega Circular Valley 2030' program is a transformational regional development initiative with a vision to establish the Bega Valley as the most circular regional economy by 2030. Underpinned by a transition to renewable energy and materials, a circular economy is based on three principles, driven by design:

- eliminate waste and pollution
- circulate products and materials at their highest value
- regenerate nature and social systems.

A transition such as this improves the resilience of our regional communities.

The Regional Circularity Cooperative (RCC) was established as an independent body in 2021 to drive this transition.

The RCC garnered strong partnerships with community, business, corporates, academia, and government, with all working together to demonstrate transition pathways through pilots in the Bega Valley. The RCC developed a roadmap and specific project business cases to shape the work going forward.

Key current projects include:

1. The building of a National Circularity Centre in Bega that will be a beacon for local, regional and national efforts and, amongst other things, serve as a circularity education centre. The NSW State Government provided \$14 million in funding for this project, and we are providing in-kind support, as well as a funding and land contribution.

2. The Circularity in Fisheries and Aquaculture Program funded by the Fisheries Research and Development Corporation. A national program to build awareness of circular economy opportunities in this sector, it works with all parts of the supply chain to build capacity to implement practices to assist with the transition to a circular economy.
3. A decarbonisation in agriculture partnership to work with farmers to identify pathways to a lower carbon footprint.
4. An emerging multi-stakeholder partnership to look at local and regional strategies to manage plastic and organic waste streams in a circular fashion.

There are many other projects and partnerships in development, and it is increasingly clear that Bega is an ideal 'sandpit' to test and demonstrate practices and technology that will assist with the broader national transition to a circular economy.

Baselining circularity in the Bega Valley is the next big challenge.

Importantly, the RCC harnesses existing community and business activity in the Bega region and beyond to build the collaborative approach necessary to affect real change.

Apart from the local community, the key supporters and partners in this program are Bega Group, Rabobank, Bega Valley Shire Council, NSW Government, University of Wollongong, Charles Sturt University, Deloitte, KPMG, Pact Group, NBN Co, Fisheries Research and Development Corporation, Canberra Region Joint Organisation, Addisons, AACo, South East NSW Forestry Hub, Southern NSW Drought Innovation Hub, and the Australian Design Council.



For more information on the Bega Circular Valley program, visit: begacircularvalley.com.au

Figure 25: Bega Circular Valley.

OUR PLANET

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Our planet

Our approach to improve our environmental performance is based on the International Standard ISO 14001:2015 and is informed by two policies: The Bega Cheese Environment and Sustainability Policy (January 2019) and The Bega Dairy and Drinks Environmental Policy (January 2021). Both policies prioritise compliance with environmental regulation, the alignment of our environmental management systems with international standards and the reduction of resource consumption.

Our performance targets are informed by our Bega Planet Pledge and underpinned by the principle of circularity. The Group's newly formed internal Sustainability Steering Group will be reviewing these performance targets.

Bega Group is subject to particular and significant environmental regulation in Australia. This includes the Commonwealth National Greenhouse and Energy Reporting Act 2007 and National Environment Protection Measures. A number of our sites report to the Commonwealth Government's National Pollutant Inventory (NPI) on emissions to air, ranging from sulphur dioxide to volatile organic compounds. This information is made publicly available on the NPI website.

Our operating sites are also subject to State legislation, regulations and licence conditions including the Environment Protection Act 1997 (ACT), the Environmental Management and Pollution Control Act 1994 (Tasmania), Environment Protection Act 1993 (South Australia), Environment Protection Act 2017 (Victoria), the Protection of the Environment Operations Act 1997 (New South Wales), Environmental Protection Act 1986 (Western Australia) and the Environmental Protection Act 1994 (Queensland).

Monitoring reports associated with licence conditions and requirements are available from our website.

In FY2023, the Group reported compliance activities to environmental regulators and water authorities. There were no financial penalties for non-compliance in FY2023. Most notifications have been successfully resolved with the appropriate regulator during the year and no fines have been issued. Specifically:

- One odour issue is under investigation at the Penrith site, and an action plan was and continues to be implemented.
- One Transitional Environmental Program is open at Tolga site regarding dust reduction and management and dust reduction activities are ongoing by Group.
- Five wastewater breaches were reported against waste trade agreements – four at Penrith, New South Wales and one at the Vegemite Way site in Victoria. All five breaches were resolved with no fines imposed, and no further action was required of the Group by the regulator.
- All remaining informal and formal complaints received in relation to environmental issues were resolved and no further action was required of the Group by the regulator.

Unless otherwise noted, the environmental data presented in this Report includes performance data for Bega Group entities as listed in Appendix B.

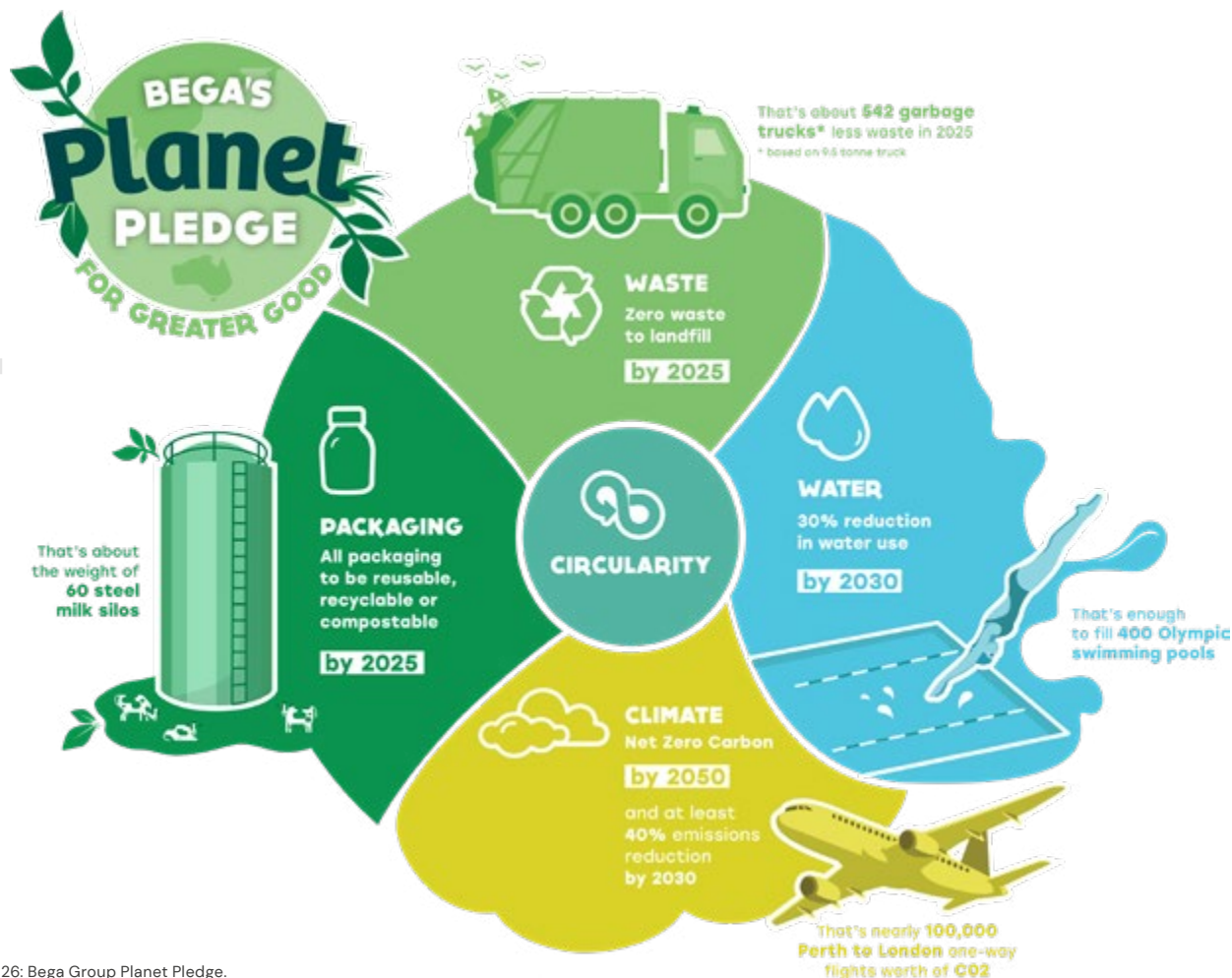


Figure 26: Bega Group Planet Pledge.

Climate change and emissions

In FY2021 we adopted a series of defined carbon reduction targets and commenced the Carbon Reduction Program 2030. Our internal carbon steering group coordinated a series of programs to understand opportunities to reduce emissions from our 2021 baseline. We continue to implement our Energy Management Capability (EMC) program, which started in FY2018. This year, five more sites completed energy mapping to help identify efficiencies including energy monitoring and metering installation at our sites at Leeton, Wetherill Park, Salisbury, Penrith and Lenah Valley. We also transitioned our sales team vehicle fleet to hybrid models.

We received further grant funding from the New South Wales State Government Office of Energy and Climate to install energy meters at Leeton Wetherill Park, Lagoon Street and Ridge Street sites. The grants were awarded late in FY2023 and installation of new meters will be completed early in FY2024.

In FY2023 Bega Group's absolute scope 1 and 2 greenhouse gas emissions were 254,162 tonnes of carbon dioxide equivalent, representing a reduction of 14.9% on our baseline year of FY2021 and towards our target of 40% by 2030. Our emissions intensity for scope 1 and 2 greenhouse gas emissions was:

- 0.11192 tCO₂e/kL representing a reduction of 15.6% on our baseline year of FY2021 and towards our target of 50% by 2030 – per litre produced (Bega Dairy and Drinks).
- 0.56 tCO₂e/t representing a reduction of 13.3% on our baseline year of FY2021 and towards our target of 50% by 2030 – per tonne produced (Bega Cheese).

Detailed information on our scope 1 and 2 emissions, total emissions, and a breakdown of energy consumption by source is provided in the performance data table in Appendix B.

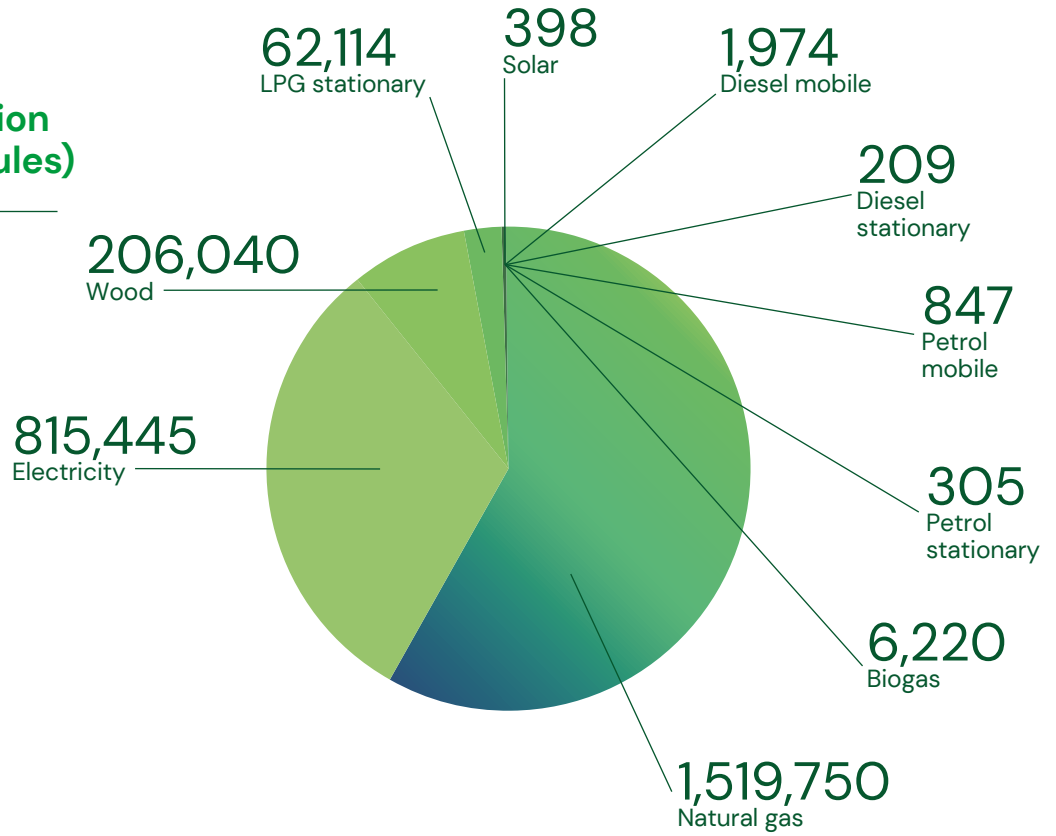
OUR CARBON REDUCTION TARGETS

- **40% reduction in absolute scope 1 and 2 GHG emissions by 2030** (from a 2021 base year)
- **Net Zero by 2050:** Commit to developing a clearly defined path, aligned to the Science-Based Targets Initiative (SBTi), to achieve net Zero by 2050



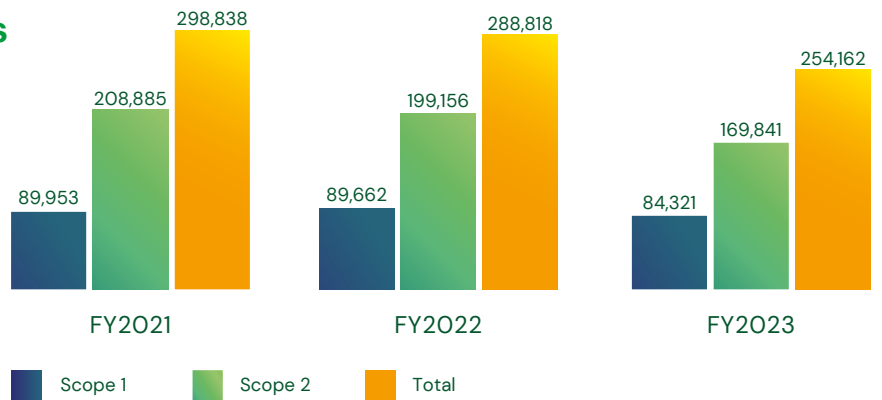
Energy consumption by source (Gigajoules)

Figure 27: Bega Group total energy consumed by source FY2023.



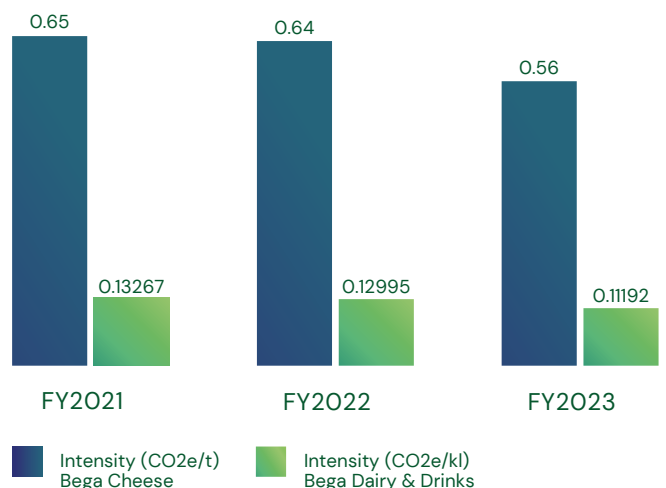
Greenhouse gas emissions (Tonnes of CO2e)

Figure 28: Bega Group greenhouse gas emissions – scope 1, scope 2 and total.



Greenhouse gas emissions (Intensity)

Figure 29: Bega Group greenhouse gas emissions – Intensity.



Scope 3 emissions

When we adopted a series of carbon reduction targets in FY2021, we committed to better measure and understand our scope 3 emissions and explore reduction opportunities. Specifically, we set a goal to complete, by 2022, our engagement with our material suppliers to understand our scope 3 supply chain emissions and where reduction opportunities exist. Last year, we reported an initial estimate of our scope 3 emissions, guided by the Greenhouse Gas Protocol based on FY2021 data. That work showed that scope 3 emissions account for more than 90% of our overall emissions and that emissions associated with dairy farming are the largest single source.

We commenced an outreach and engagement program with key suppliers in 2022, targeting suppliers collectively representing more than 30% of our non-dairy scope 3 emissions. The program focused on emissions footprints, targets, reduction initiatives and capacity to share data to support a more accurate calculation of our scope 3 inventory. More than half the key suppliers engaged have already adopted an emissions reduction target and are estimating their own scope 3 emissions. To further progress our efforts to reduce scope 3 emissions, we will in the coming year review our sourcing policy and procurement process to embed decarbonisation and explore scope 3 target-setting activity with the key suppliers.

The process of procuring milk is different to that for the other goods and services we acquire, with unique contractual and regulatory considerations and sensitivities. Reducing on-farm emissions also involves addressing significant sources which are hard to abate, specifically enteric methane from livestock. We have adopted different strategies for addressing on-farm scope 3 emissions from milk to those adopted for suppliers of other inputs.

Through our relationship with the Bega Circular Valley and the Regional Circularity Co-operative Limited, we partner with Bega Valley farmers, the New South Wales Department of Primary Industries, to better understand scope 3 emissions. The pilot program works with dairy, beef and sheep farmers in the Bega Valley to:

- Better understand the drivers for transitioning to a lower carbon footprint production system
- Measure and manage on-farm emissions
- Realise farm efficiencies and productivity gains
- Take up opportunities to enhance carbon sequestration in soil and vegetation
- Improve on-farm energy management
- Explore carbon and environmental market opportunities.

Twenty farmers are developing initial whole farm carbon plans – ten dairy farms and ten beef farms – to illustrate transition pathways and collect data. These will serve as case studies on how to measure a farm’s carbon footprint, identify and implement low risk transition pathways, develop potential new income streams and understand both risks and opportunities. This will help inform our approach to more accurately measure scope 3 emissions and, more importantly, understand best practice in emission management on-farm and how this might be shared among milk suppliers.

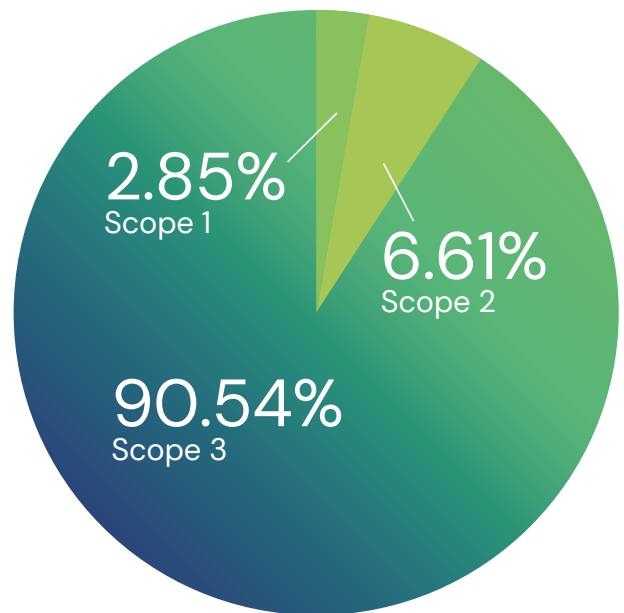


Figure 30: Bega Group’s Scope 1, 2 and 3 greenhouse gas emissions in FY2021.

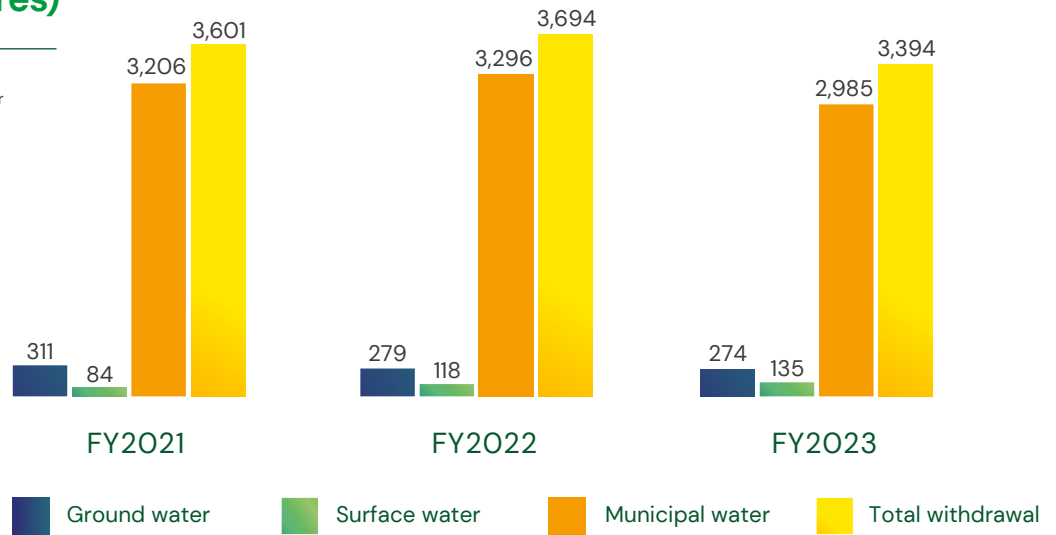
Water management

We aim to reduce our consumptive water use by 30% by 2030 based on FY2021 water use. To support this goal, we are developing water mapping and mass balance projects at all our facilities to better understand how water is used and recovered in the manufacturing process. This will help us to better identify opportunities for efficiencies, as well as recovery and reuse options.

Our overall data on water consumption, wastewater generation and water re-use are detailed in the performance data table in Appendix B.

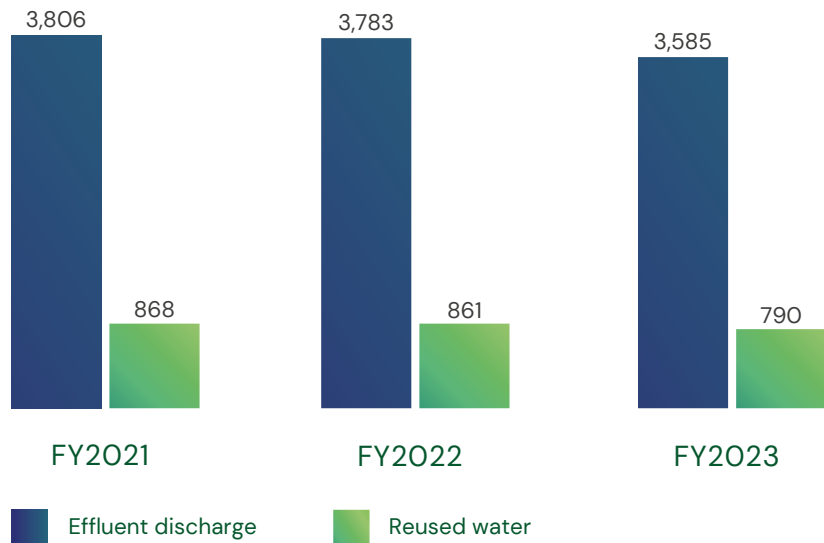
Water withdrawal by source (Megalitres)⁷

Figure 31: Bega Group water withdrawal for manufacturing by source FY2021-2023.



Wastewater generation (Megalitres)

Figure 32: Bega Group wastewater generated FY2021-2023.



⁷ This does not include water associated with reconstituting products.

Waste management

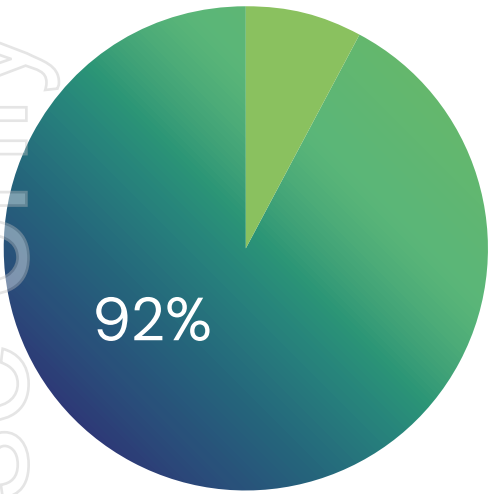


Figure 33: Bega Group solid waste diversion rate FY2023.

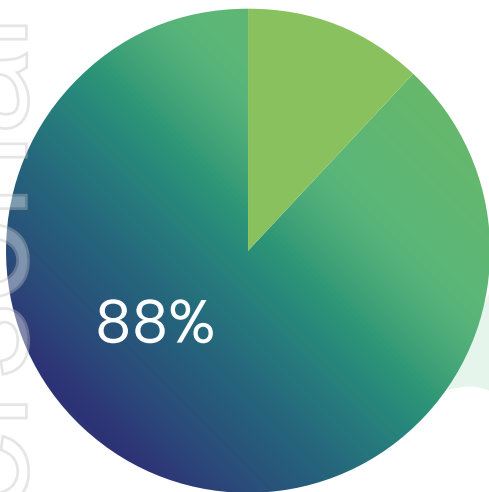


Figure 34: Bega Group total packaging by weight which is reusable, recyclable or compostable (calendar year 2022).

Bega Group is committed to reducing its overall waste and we continue to work towards our zero to landfill target. We undertook projects at our sites to reduce our waste including a project that focused on improving the quality of bottles resulting in less waste being generated.

In FY2023 92% diversion from landfill was achieved across our manufacturing sites.

We invited our partners at the Regional Circularity Cooperative to audit our plastic waste streams at our Bega sites seeking to understand how to reduce these waste streams further.



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Packaging

Our approach to reducing the environmental impact of our packaging is guided by our Bega Group Packaging Sustainability Policy, which aligns with the United Nations Sustainable Development Goals and supports Australia's 2025 National Packaging Targets. It applies to the design and procurement of all primary and secondary packaging. As a signatory to the Australian Packaging Covenant Organisation (APCO), we adopt APCO's Sustainable Packaging Guidelines as part of our minimum internal standards and develop an annual APCO Action Plan against which we report our progress.

We actively participate in industry-wide initiatives in packaging. We have Bega Group representatives on APCO's Collective Action Group, Flexible Plastics Material Stewardship Committee and Rigid Plastics Material Stewardship Committee. We are also active members of Dairy Australia's Industry Working Group for Sustainable Packaging (IWGSP) which aims to identify sustainable packaging opportunities and progress industry collaboration towards collectively meeting the 2025 National Packaging Targets.

In calendar year 2022, more than 88% of our total packaging was reusable, recyclable, or compostable and the recycled content of our packaging reached nearly 35%. We used 46,298 tonnes of primary, secondary, and business to business packaging in our production that year.

We removed polyvinyl chloride (PVC) packaging from our cheese slice clamshell packaging in 2022. Starting with a trial, we rolled out new packaging, consisting of up to 30% post-consumer recycled polyethylene terephthalate (rPET). We are replacing PVC from our food service portions with PET, thereby completing the total phase-out of all PVC packaging.

In FY2023 we began to roll out rPET across the Juice Brothers 500ml and 1.5 litre bottles and the Dare Iced Coffee, Big M and Dairy Farmers Classic impulse ranges of bottles of less than one litre. This excludes the labels and bottle caps. We commenced the national rollout of the impulse range in March 2023 and we expect to roll this out nationally in 2023-2024. This will see our Farmers Union Iced Coffee and the Masters brand in South Australia and WA move to 100% rPET (under one litre, excluding caps and labels) respectively.

This year, we also started using 50% recycled high density polyethylene, rHDPE, in our one, two and three litre white milk bottles. HDPE is commonly used in milk bottles and household and personal care products. While it is resistant to impacts, like PET it can be recycled to make new food grade bottles. We commenced the roll out in Queensland and expect to see more of our states move to 50% rHDPE from 2024-2025 across our white and flavoured milk two and three litre bottles.



FOR MORE INFORMATION ON BEGA GROUP'S ENVIRONMENT AND SUSTAINABILITY POLICIES VISIT:

[BUSINESS CONDUCT](#)

[PUBLICATIONS](#)

FOR MORE INFORMATION ON BEGA GROUP'S PACKAGING SUSTAINABILITY POLICY VISIT:

[PUBLICATIONS](#)

* This bottle (under one litre, excluding cap and label) is made from 100% recycled plastic. Bottles made from 100% recycled plastic (excluding cap and label) launch from March 2023 and we expect to roll this out nationally in 2023-2024.

Case study

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JUICE BROTHERS

The Juice Brothers brand contributes to our sustainability objectives in many ways.

Both the 500 millilitre and 1.5 litre bottles are made of recycled and recyclable plastic. The labels and lids are not made from recycled plastic but can be placed in kerbside recycling bins for collection, and the 1.5 litre bottles use pigment-free lids. Very few brands employ this pigment-free lid technology.

Our 1.5 litre bottles were recognised as a finalist in the Sustainable Packaging Design of the Year category in this year's Australasian Packaging Innovation and Design Awards.

The juice is made from 100% Australian fruit, without use of juice concentrates or added sugar.

To eliminate food waste, instead of crushing oranges, apples and pears, we squeeze the fruit to extract the juice, which enables us to reuse the peels, seeds and cores as animal feed. Aligned with our commitment to principles of circularity, some of this feed then goes to our own major dairy suppliers.

The entire 1.5 litre bottle range has received certification as Carbon Neutral product until November 2023, under the Australian Government's Climate Active Program. This assessment considers emissions throughout the entire lifecycle, including fruit cultivation, processing, transportation, and waste management. It recognises both the carbon reductions we've made, and our use of 100% Australian Carbon Credit Units to offset any remaining carbon.

**VISIT
THE JUICE BROTHERS
WEBSITE.**

[JUICE BROTHERS](#)

Land management

Our Australian dairy farmers

Wet conditions, reduced feed availability, increased risk of animal health issues and labour shortages all contributed to a fall in milk production in the first half of the financial year. We expect the shrinking milk pool to stabilise over the coming year. While some challenges, such as labour supply will continue, with drier weather forecast we expect other factors to improve.

Bega Cheese Limited, Tatura Milk Industries Pty Ltd and BDD Australia Pty Ltd are required, by the Dairy Industry Code of Conduct, to use Standard Form Agreements for all new agreements entered into with dairy farmer suppliers. Our farm milk supply agreements outline the terms and conditions upon which our milk suppliers sell milk to us and our responsibilities, as a purchaser, to them.

Each supply region has an agreement under the mandatory Dairy Industry Code of Conduct which came into effect on 1 January 2020. We publish agreements for both FY2023 and intended agreements for FY2024 on our website. They include requirements relating to food safety, quality, environmental compliance including effluent management, animal welfare and occupational health and safety. When we onboard a new supplier, our farm service field officers work through a checklist that includes key questions on performance in relation to these requirements.

We not only require compliance with regulatory obligations, but also proactively incentivise the adoption of industry recommended best practices through our Better Farms Program.

The Group continued to support its dairy farm suppliers through the Better Farms Program in FY2023. The Program provides grant support for capital works upgrades, accessing professional advice and staff training. Between April 2018 and June 2023 the Group invested \$2,559,859 in grant support across all milk supply regions. For capital works projects alone, suppliers matched the \$2,191,876 in grants with \$7,737,072 in direct investment. These grants were designed to improve animal health and welfare outcomes and to improve efficiency with regard to nutrient, water, energy, workplace health and safety, chemicals and soil health management. A summary of the grants approved and completed is presented in Figure 34. All these projects help our farmers to improve management practices on farm, improve management efficiency, milk quality, animal welfare outcomes and mitigate emissions.

We also support the Australian Dairy Industry Sustainability Framework, which aims for 100% compliance with legislated Australian Animal Welfare Standards and 100% uptake of relevant recommended practices, including no tail docking or calving induction, and the use of pain relief in specific husbandry practices. Under our farm milk supply agreements, we require our milk suppliers to comply with legislation in relation to animal welfare as a condition of supply.

**FOR MORE
INFORMATION
ON OUR FARM
MILK SUPPLY
AGREEMENTS,
VISIT:**

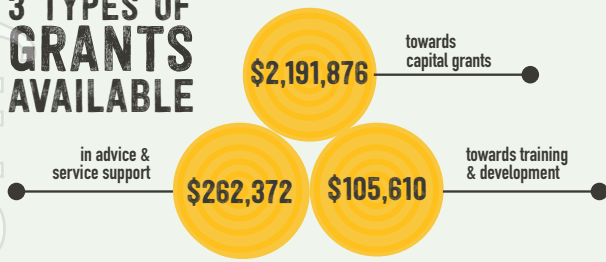
[MILK SUPPLY AGREEMENTS](#)

**FOR MORE
INFORMATION ON
BETTER FARMS
PROGRAM, VISIT:**

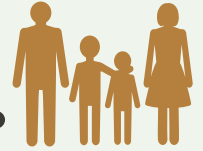
[BETTER FARMS](#)



3 TYPES OF GRANTS AVAILABLE



PROJECTS COMPLETED TO SUPPORT OUR AUSSIE DAIRY FARMING FAMILIES



\$2,559,859

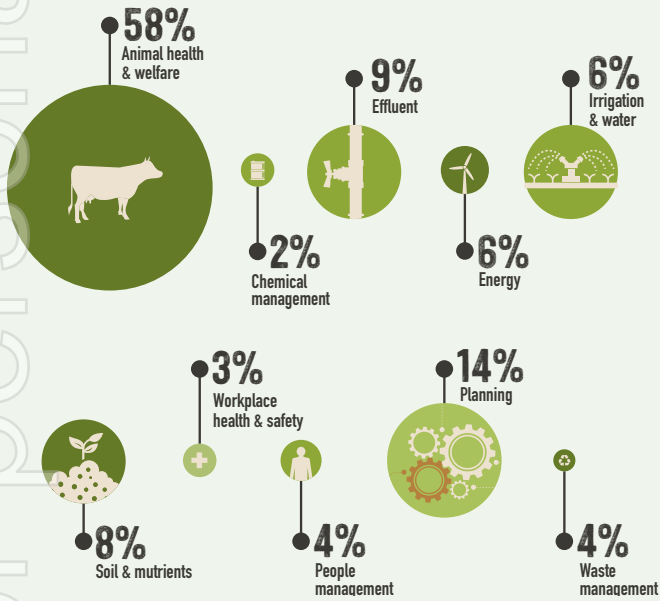
INVESTED IN TOTAL INTO OUR AUSTRALIAN DAIRY FARMS SINCE 2018



DAIRY FARMERS BUTTER PROUDLY MADE IN KOROIIT WESTERN VICTORIA



OUR FARMERS HAVE USED THEIR GRANTS TOWARDS:



5.25 LITRES OF MILK

go into making



1 BLOCK OF DAIRY FARMERS BUTTER



Figure 35: Summary of Better Farms Program grants expenditure April 2018 to 30 June 2023.

Our Australian peanut growers

The La Niña weather pattern not only impacted dairy production this year, but also the Australian peanut crop. Lower soil temperatures reduced germination rates and wet weather made the use of heavy machinery problematic. Input costs of fuel, fertiliser and pesticides all increased. This is a considerable factor for crops such as peanuts which rotate with the national sugar crop and compete with other crop options for farmers. Our focus is on increasing productivity with our current farm footprint of 180 growers.

We make our Simply Nuts Peanut Butter range from 100% Australian grown peanuts (plus a pinch of sea salt), but continue to import peanuts to meet demand across our broader product portfolio.

We make our Simply Nuts Peanut Butter range from 100% Australian grown peanuts (plus a pinch of sea salt)

FOR MORE INFORMATION ON THE PEANUT COMPANY OF AUSTRALIA, VISIT:
[PCA PROFILE](#)

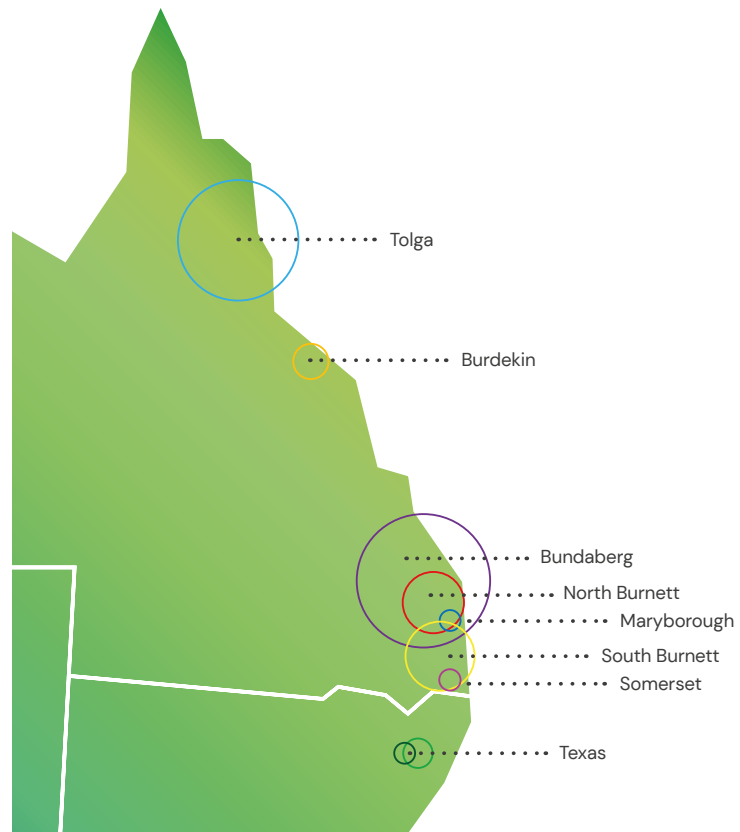


Figure 36: Area of peanut production by growing region.

While we increased our peanut harvest from 8,000 metric tonnes in FY2020 to over 23,000 in FY2022, this reduced to 18,000 metric tonnes in FY2023.

Our Grower Advisory Group includes grower representatives from each of our major regions. They meet quarterly to help inform our communications and advocate and raise concerns on behalf of peanut growers. Our team of eight farming services officers includes agronomists who visit most growers at least every two to three weeks, providing advice in the field. This productive two-way dialogue results in better understanding of mutual concerns such as the price changes earlier this financial year which occurred in response to competitive imports. We continue to work with local peanut growers to ensure that the use of any chemicals and fertilisers can be traced back to the paddock. Growers must provide a Declaration and Chemical Use Record to us which we review prior to payment for peanut crops. This includes the use of any Australian Pesticides and Veterinary Medicines Authority registered chemicals.

This year, we continued our work with CQ University and the Cooperative Research Centre for Developing Northern Australia (CRCNA) on dual purpose peanut crops in the Northern Territory and Queensland, which featured in our FY2022 Sustainability Report. Preliminary results indicate that peanuts can provide up to a tonne of biomass per hectare for cattle fodder without significantly compromising peanut yield, providing another revenue stream for growers.

Our Australian orchardists

In FY2023, we sourced 6,778 metric tonnes of apples, 1,409 metric tonnes of pears and 37,755 metric tonnes of citrus. This year, we trialed the expansion of our Better Farms program initiative to our domestic citrus growers supplying our manufacturing site at Leeton. We developed a checklist for citrus which includes requirements in occupational health and safety, environmental compliance, chemical handling and working conditions.

Our ingredients – coffee

We continue to embed the ethical sourcing of coffee used in the production of Dare Iced Coffee. All our sites making Dare Iced Coffee have achieved certification under the Rainforest Alliance Standard (the Standard).

Global coffee production is associated with deforestation, biodiversity loss and water contamination, as well as multiple human rights challenges including low wages, child and forced labour, gender discrimination, and unhealthy working conditions. The Rainforest Alliance is an international non-profit organisation working in more than 70 countries, specifically with cooperatives of smallholder coffee farms. Sourcing coffee from Rainforest Alliance Certified Farms helps farmers follow more sustainable farming practices that protect forests, improve their livelihoods, promote human rights of farm workers, and help them mitigate and adapt to the climate crisis.

Of the total coffee powder by weight sourced by Bega Group, 71% was certified under the Rainforest Alliance Standard in FY2023. This has increased from 13% in FY2022. This excludes coffee powders pre-mixed by suppliers for Dare Iced Coffee which has also been certified as part of chain of custody requirements.



TO LEARN MORE ABOUT THE RAINFOREST ALLIANCE, VISIT:
[RAINFOREST ALLIANCE](https://www.rainforestalliance.org)



Our ingredients – palm oil

Palm oil accounts for a significant proportion of global demand for vegetable oil used in food production, animal feed, and fuel. It has the highest productivity of all vegetable oils, requiring less land than other crops to produce the same amount of oil. Rapid demand for palm oil has been associated with regional tropical deforestation, peatland draining and burning, human rights abuses, declining biodiversity, greenhouse gas emissions and air pollution in South East Asia.

We recognise that we can either contribute or mitigate these impacts by our purchasing of palm oil and related products. We joined the Roundtable on Sustainable Palm Oil (RSPO) as an associate member in December 2019 and our policy is to purchase 100% RSPO certified sustainable segregated or identity preserved sources for all Bega branded products. We will publish a revised policy in FY2024.

RSPO certification

Identity preserved – RSPO Certified Sustainable Palm Oil from a single identifiable certified source that is kept separately from ordinary palm oil throughout the supply chain.

Segregated – RSPO Certified Sustainable Palm Oil from different certified sources that is kept separate from ordinary palm oil throughout the supply chain.

Mass balance – RSPO Certified Sustainable Palm Oil from certified sources that is mixed with ordinary palm oil throughout the supply chain.

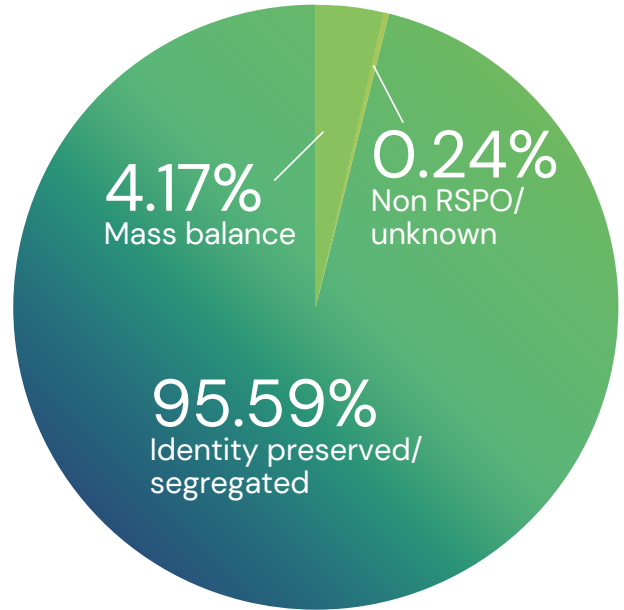


Figure 37: Palm Oil and Palm Oil Products procured FY2023 by Weight.

FOR MORE INFORMATION ON THE ROUNDTABLE ON SUSTAINABLE PALM OIL VISIT:

[RSPO](#)



APPENDIX

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*Consuming lactose free milk instead of regular milk is easier to digest for those who are sensitive to lactose, as part of a balanced diet.

APPENDIX A: Data boundary

Data included in Sustainability Report FY2023

Entities in Consolidated Financial Statement in 2022	Ownership	Supply chain	Food Safety	Nutrition	Workforce	Safety	Energy	Carbon	Water ⁸	Wastewater ⁸	Waste ⁸	Packaging ⁹
Bega Cheese Ltd (Parent)	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
180 Nutrition Pty Ltd	100	✓	✓	✓	x	x	x	x	x	x	x	x
BDD Australia Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
BDD Foods Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
BDD Milk Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bega Cheese Benefit Fund Ltd	100	x	x	x	x	x	x	x	x	x	x	x
Bega Cheese Investments Pty Ltd	100	x	x	x	x	x	x	x	x	x	x	x
Bega Dairy and Drinks Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bega Dairy and Drinks Finance Pty Ltd	100	x	x	x	x	x	x	x	x	x	x	x
Bega Dairy and Drinks Services Pty Ltd	100	x	x	x	x	x	x	x	x	x	x	x
Bega Insurance Pte Ltd	100	x	x	x	x	x	x	x	x	x	x	x
Berri Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Berri Asia Sdn Bhd	100	x	x	x	x	x	x	x	x	x	x	x
Blowflex Mouldings Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Capitol Chilled Foods (Australia) Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dairy & Drinks Singapore Pte Ltd	100	x	x	x	x	x	x	x	x	x	x	x
Dairy Farmers Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dairy Vale Foods Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Malanda Dairyfoods Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
National Foods Holdings Ltd	100	x	x	x	x	x	x	x	x	x	x	x
National Foods Beverage Holdings Pty Ltd	100	x	x	x	x	x	x	x	x	x	x	x
Peanut Company of Australia Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
QUD Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shanghai Great Lion Food & Beverages Management Co Ltd	100	x	x	x	x	x	x	x	x	x	x	x
Tatura Milk Industries Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tatura Cheese Industries Pty Ltd	100	x	x	x	x	x	x	x	x	x	x	x
Vitasoy Australia Products Pty Ltd ¹⁰	49	x	x	x	x	x	x	x	x	x	x	x
CBH Fresh Ltd	11.5	x	x	x	x	x	x	x	x	x	x	x

⁸Excludes logistics sites and depots outside of Bega operational control.

⁹Excludes contract manufacturing and SKUs exported outside of Australia.

¹⁰Performance data on the divested Vitasoy Australia Pty Ltd joint venture is detailed in Vitasoy International Holdings Sustainability Report at www.vitasoy.com/sustainability/reporting

APPENDIX B: Performance data

Sustainability Report People Data (1/07/22 – 30/06/23)

Measure – food safety

Audits and compliance – Bega Cheese	FY2021	FY2022	FY2023
Number of audits	83 ¹¹	-	-
Number of audit days	131	-	-
Number of sites audited	8	-	-
Incidents of non-compliance with regulations or voluntary codes	0	-	-
Recalls issued	0	-	-

Audits and compliance – Bega Dairy and Drinks	FY2021	FY2022	FY2023
Number of audits	82	-	-
Number of audit days	122	-	-
Number of sites audited	13	-	-
Incidents of non-compliance with regulations or voluntary codes	3	-	-
Recalls issued	0	-	-

Audits and compliance – Bega Group	FY2021	FY2022	FY2023
Number of audits	-	187	162
Number of audit days	-	264	221
Number of sites audited	-	20	20
Incidents of non-compliance with regulations or voluntary codes	-	0	0
Recalls issued	-	0	1

¹¹ Audits and days down on previous years as a number were postponed, some held virtually.

Measure – workforce FY2023

Workforce by employment type and gender	Female	Male	Non-binary	Total
Total workforce ¹²	1,141	2,771	5	3,917
Full time	920	2,520	4	3,444
Part-time	221	251	1	473
Permanent	1,013	2,560	5	3,578
Fixed term	69	60	0	129
Casual	59	151	0	210

Workforce by region and gender	Female	Male	Non-binary	Total
Australian Capital Territory	2	16	0	18
New South Wales	337	902	1	1,240
Northern Territory	1	2	0	3
Queensland	112	293	0	405
South Australia	25	152	1	178
Tasmania	6	45	0	51
Victoria	633	1,282	3	1,918
Western Australia	25	78	0	103
Other	0	1	0	1

Gender representation by category	Female	Male	Non-binary
Board members	28.57%	71.43%	0.00%
Management ¹³	32.47%	67.53%	0.00%
Non-management ¹⁴	28.80%	71.05%	0.15%
Workforce overall ¹⁵	29.13%	70.74%	0.13%

Age group of employees by category	<30 years of age	30–50 years of age	50+ years of age
Board members (%)	0.00%	0.00%	100.00%
Management ¹⁶ (%)	2.33%	64.20%	33.46%
Non-management ¹⁷ (%)	14.16%	50.82%	35.01%
Workforce overall ¹⁸ (%)	12.59%	52.49%	34.92%

Freedom of association	% of total workforce
Employees covered by enterprise bargaining agreements	56.57%

¹² Based on full time equivalent employees excluding external contractors.

¹³ Includes senior executives.

¹⁴ Raw numbers have been rounded for reporting purposes.

¹⁵ Bega Group.

¹⁶ Includes senior executives.

¹⁷ Raw numbers have been rounded for reporting purposes.

¹⁸ Bega Group.

Measure – safety

Workplace health and safety ¹⁹ – Bega Cheese	FY2021	FY2022	FY2023
Fatalities	0	-	-
Total recordable injury frequency rate (TRIFR) ²⁰	20.7	-	-
High-consequence work-related injuries ²¹	3	-	-

Workplace health and safety – Bega Dairy and Drinks	FY2021	FY2022	FY2023
Fatalities	0	-	-
Total recordable injury frequency rate (TRIFR)	4.8	-	-
High consequence work-related injuries	6	-	-

Workplace health and safety – Bega Group	FY2021	FY2022	FY2023
Fatalities	-	0	0
Total recordable injury frequency rate (TRIFR)	-	14.2	17.7
High consequence work-related injuries	-	10	19

¹⁹ Injuries to contractors are included in the TRIFR data. Contractor hours have been included for Bega Cheese since December 2021. The data includes employees at the Derrimut site from July 2021 to October 2021.

²⁰ TRIFR is calculated as the total number of recordable injuries for each million hours worked. Recordable injuries includes all lost time injuries, medical treatment injuries and restricted work injuries.

²¹ High-consequence work-related injuries are those from which the worker cannot, does not, or is not expected to, recover fully to pre-injury health status within six months.

Measure – energy

Activity metric			FY2023
Weight of products sold	Bega Cheese	Tonnes of product	275,012
Bega Dairy and Drinks		Kilolitres of product	894,762
Number of production facilities			20

Energy consumption (Gigajoules) – Bega Cheese	FY2021	FY2022	FY2023
Energy consumption	1,963,723	1,905,681	1,782,619
Natural gas	1,246,557	1,234,749	1,125,831
Electricity	433,361	423,437	401,632
Wood	223,246	192,318	206,040
LPG stationary	57,452	51,780	45,791
LPG mobile	0	0	0
Diesel mobile	2,106	2,062	1,974
Diesel stationary	205	319	198
Petrol mobile	590	731	847
Petrol stationary	206	285	305
Biogas	0	0	0

Energy consumption (Gigajoules) – Bega Dairy and Drinks	FY2021	FY2022	FY2023
Energy consumption	844,673	827,401	830,684
Natural gas	385,062	377,950	393,919
Electricity	434,614	426,212	413,814
Wood	0	0	0
LPG stationary	11,710	15,206	16,322
LPG mobile	1,287	714	0
Diesel mobile	0	0	0
Diesel stationary	24	19	11
Petrol mobile	0	0	0
Petrol stationary	0	0	0
Biogas	11,976	7,299	6,220
Solar	0	0	398

Measure – energy

Energy consumption (Gigajoules) – Bega Group	FY2021	FY2022	FY2023
Energy consumption	2,808,396	2,733,082	2,613,303
Natural gas	1,631,619	1,612,699	1,519,750
Electricity	867,975	849,649	815,445
Wood	223,246	192,318	206,040
LPG stationary	69,162	66,986	62,114
LPG mobile	1,287	714	0
Diesel mobile	2,106	2,062	1,974
Diesel stationary	229	339	209
Petrol mobile	590	731	847
Petrol stationary	206	285	305
Biogas	11,976	7,299	6,220
Solar	0	0	398

Measure – greenhouse gas emissions

Greenhouse gas emissions (Tonnes CO2e) – Bega Cheese	FY2021	FY2022	FY2023
Scope 1	69,244	67,851	61,948
Scope 2	114,094	109,172	92,068
Total	183,338	177,023	154,016

Greenhouse gas emissions (Tonnes CO2e) – Bega Dairy and Drinks	FY2021	FY2022	FY2023
Scope 1	20,709	21,811	22,373
Scope 2	94,791	89,984	77,773
Total	115,500	111,795	100,146

Greenhouse gas emissions (Tonnes CO2e) – Bega Group	FY2021	FY2022	FY2023
Scope 1	89,953	89,662	84,321
Scope 2	208,885	199,156	169,841
Total	298,838	288,818	254,162

Measure – water

Water withdrawal by source (Megalitres ²²) – Bega Cheese	FY2021	FY2022	FY2023
Ground water	311	279	274
Municipal water	1,572	1,643	1,402
Total withdrawal	1,883	1,922	1,676
Reused water	868	779	710

Water withdrawal by source (Megalitres) – Bega Dairy and Drinks	FY2021	FY2022	FY2023
Ground water	0	0	0
Municipal water	1,634	1,654	1,583
Surface water	84	118	135
Total withdrawal	1,718	1,772	1,718
Reused water	No data	82	80

Water withdrawal by source (Megalitres) – Bega Group	FY2021	FY2022	FY2023
Ground water	311	279	274
Municipal water	3,206	3,296	2,985
Surface water	84	118	135
Total withdrawal	3,601	3,694	3,394
Reused water	868	861	790

Measure – wastewater

Wastewater (Megalitres) – Bega Cheese	FY2021	FY2022	FY2023
Effluent discharge	2,346	2,162	1,974

Wastewater (Megalitres) – Bega Dairy and Drinks	FY2021	FY2022	FY2023
Effluent discharge	1,460	1,621	1,611

Wastewater (Megalitres) – Bega Group	FY2021	FY2022	FY2023
Effluent discharge	3,806	3,783	3,585

²²Bega Cheese does not use surface water, collected rainwater or wastewater from other organisations.

Measure – waste

Waste diversion ²³ – Bega Cheese	FY2021	FY2022	FY2023
Solid waste diverted from landfill (% recycled)	49	70	73

Solid waste by generation and disposal (tonnes) – Bega Cheese ²⁴	FY2021	FY2022	FY2023
Waste total	6,133	8,903	11,094
Waste to landfill	2,721	2,709	2,997
Waste diverted from landfill	3,412	6,194	8,097

Waste diversion – Bega Dairy and Drinks	FY2021	FY2022	FY2023
Solid waste diverted from landfill (% recycled)	95	97	96

Solid waste by generation and disposal (tonnes) – Bega Dairy and Drinks	FY2021	FY2022	FY2023
Waste total	49,120	74,359	61,100
Waste to landfill	2,430	2,242	2,454
Waste diverted from landfill	46,712	72,118	58,646

Waste diversion – Bega Group	FY2021	FY2022	FY2023
Solid waste diverted from landfill (% recycled)	-	94	92

Solid waste by generation and disposal (tonnes) – Bega Group	FY2021	FY2022	FY2023
Waste total	-	83,263	72,193
Waste to landfill	-	4,951	5,451
Waste diverted from landfill	-	78,312	66,742

²³ Excludes waste from Maffra

²⁴ Excludes waste from Maffra.

APPENDIX C:

Assurance statement

Independent Assurance Statement to the Board and Management of Bega Cheese Limited



1. Assurance conclusion

We, Environmental Resources Management Pty Ltd ('ERM'), performed a limited assurance engagement over selected metrics presented in Bega Cheese Limited's ('Bega's') Sustainability Report ('the Report') for the reporting year ended 30 June 2023.

Based on the scope of our independent limited assurance engagement, nothing has come to our attention that causes us to believe that the selected metrics presented in Bega's 2023 Sustainability Report have not been prepared and presented fairly, in all material respects, in accordance with the Criteria defined below.

2. Subject Matter

The Subject Matter covered as part of this limited assurance engagement is listed below:

- Total added sugar removed from products
- Total packaging weight, total recycled content within packaging (%), and total recyclable packaging (%)
- Total sustainable palm oil sourced.

3. Criteria

We have used the following Criteria against which to evaluate the Subject Matter in the Report:

- Bega's own reporting criteria (as set out in the Report) and relevant internal policies and procedures used to compile the selected data.

4. Respective responsibilities

Bega's management is responsible for the preparation and fair presentation of the selected metrics in accordance with the Criteria, and related information within the Report. Bega's management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Report, adequate records and making assumptions that are reasonable in the circumstances.

ERM's responsibility, in accordance with the terms of our engagement letter with Bega dated 22 June 2023, is to express a limited assurance conclusion about whether the selected metrics have been prepared in accordance with the Criteria. Our assurance engagement has been planned and performed in accordance with the *Australian Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (ASAE 3000). Our team has the required qualifications and experience to effectively apply ASAE 3000. We are not aware of any issues that could impair our independence or objectivity for this assurance engagement. ERM's independence policy and supporting measures apply to management and professional staff. This policy also prohibits our team from having any financial interests in our clients that could impair our independence, either in fact or in appearance.

5. Our Methodology

The assurance procedures we performed were based on our professional judgement and included:

- Interviewing a selection of Bega staff and reviewing information to understand Bega's corporate structure and boundary covered by the Report.
- Interviewing data owners of the Subject Matter to understand how metric data is collected, calculated, and aggregated and checking any assumptions or estimations that were made.
- Performing analytical tests and limited substantive testing to source documentation for selected metrics and related qualitative information.
- Checking the accuracy of calculations performed and the reasonableness of assumptions used.

6. Inherent limitations

Our evidence-gathering procedures were designed to obtain a 'limited' level of assurance (as set out in ASAE 3000) on which to base our conclusions. The extent of evidence gathering procedures performed is less than that of a 'reasonable' assurance engagement and therefore a lower level of assurance is provided.

7. Use of our assurance statement

We do not accept any responsibility for any reliance on this assurance statement by any other person(s) or organisation(s) other than the Board and Management of Bega. Other stakeholders should do their own due diligence before taking any action because of this statement.

On behalf of the assurance team.



Simon Dawes

Lead Auditor, Sydney

ERM

18 October 2023

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APPENDIX D:

Figures

Figure	1	Bega Group financial performance summary	Page 10
Figure	2	Bega Group entity structure	Page 11
Figure	3	Bega Group operations and footprint	Page 12
Figure	4	Bega Group Australian retail categories	Page 13
Figure	5	Bega Group governance structure	Page 16
Figure	6	Bega Group sustainability priorities	Page 17
Figure	7	Bega Group Greater Good and alignment to UN Sustainable Development Goals	Page 18
Figure	8	Bega Group key stakeholders	Page 19
Figure	9	Bega Group supply chain due diligence process	Page 22
Figure	10	Bega Group supply chain by % expenditure	Page 23
Figure	11	Bega Group supplier quality management model	Page 24
Figure	12	Bega Group food safety performance	Page 25
Figure	13	Bega Group behaviours and values	Page 30
Figure	14	Bega Group behaviours in action	Page 31
Figure	15	Bega Group safety policy	Page 34
Figure	16	Bega Group 8 safety principles	Page 35
Figure	17	Bega Group life saving rules	Page 36
Figure	18	Bega Group safety performance FY2021–2023	Page 37
Figure	19	Bega Group’s approach to diversity and inclusion	Page 39
Figure	20	Gender representation in the workforce	Page 40
Figure	21	Workforce by age group	Page 41
Figure	22	Workforce by region	Page 42
Figure	23	Applegum Close site plan concept	Page 43
Figure	24	Foodbank staff visiting our Bentley site in March	Page 44
Figure	25	Bega Circular Valley	Page 45
Figure	26	Bega Group Planet Pledge	Page 47
Figure	27	Bega Group total energy consumed by source FY2023	Page 49
Figure	28	Bega Group greenhouse gas emissions – scope 1, scope 2 and total	Page 49
Figure	29	Bega Group greenhouse gas emissions – Intensity	Page 49
Figure	30	Bega Group scope 1,2, and 3 greenhouse gas emissions in FY2021	Page 50
Figure	31	Bega Group water withdrawal for manufacturing by source	Page 51
Figure	32	Bega Group wastewater generated FY2021–2023	Page 51
Figure	33	Bega Group solid waste diversion rate FY2023	Page 52
Figure	34	Bega Group total packaging by weight which is reusable, recyclable or compostable (calendar year 2022)	Page 52
Figure	35	Summary of Better Farms Program grants expenditure April 2018 to 30 June 2023	Page 56
Figure	36	Area of peanut production by growing region	Page 57
Figure	37	Palm Oil and Palm Oil Products procured FY2023 by weight	Page 59

APPENDIX E:

Glossary

Terms	
ADISF	Australian Dairy Industry Sustainability Framework
APCO	Australian Packaging Covenant Organisation
EMS	Environmental Management System
EBITA	Earnings before interest, taxes, depreciation and amortisation
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
HACCP	Hazard analysis and critical control points
KPI	Key Performance Indicator
SASB	Sustainability Accounting Standards Board
Scope 1 greenhouse gas emissions	Emissions resulting directly from onsite activities such as the combustion of fossil fuels
Scope 2 greenhouse gas emissions	Emissions resulting indirectly from the consumption of electricity generated off-site
Scope 3 greenhouse gas emissions	Emissions resulting indirectly (not included in scope 2) that occur in the value chain, including both upstream and downstream emissions
Units	
CO ₂ e	Carbon dioxide equivalent, a standard unit for measuring carbon. The amount of a greenhouse gas that a business emits is measured as an equivalent amount of carbon dioxide which has a global warming potential of one
tCO ₂ e	Tonnes of carbon dioxide equivalent gas
GJ	Gigajoule, unit of energy equal to one billion (10 ⁹) joules of energy
GJ/t	Gigajoules per tonne of product
kg	Kilogram, unit of mass equal to 1,000 grams
kg/t	Kilograms per tonne of product
kl	Kilolitre, a unit of volume equivalent to 1,000 litres
kl/t	Kilolitre per tonne of product
kWh	Kilowatt hour, unit of energy equivalent to 3.6 megajoules
MI	Megalitre, a unit of volume equivalent to 1 million litres
MJ	Megajoule, unit of energy equal to one million (10 ⁶) joules of energy
t	Tonnes, unit of mass equal to 1,000 kilograms
TRIFR	Total Recordable Injury Frequency Rate calculated as total recordable injuries for each million hours worked during the reporting period

APPENDIX F: GRI and SASB Content Index

GRI Content Index

Statement of use	Bega Group has reported the information cited in this GRI content index for the period 1 July 2022 to 30 June 2023 with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
Global Reporting Initiative Standards (GRI) 2021	Disclosure	Location
GRI 2: General Disclosures 2021		
	2-1 Organizational details	Pages 4, 12 and back cover
	2-2 Entities included in the organization's sustainability reporting	Appendix A
	2-3 Reporting period, frequency and contact point	Page 4
	2-4 Restatements of information	Page 4
	2-5 External assurance	Page 4 and Appendix C
	2-6 Activities, value chain and other business relationships	Pages 4, 10-11, 12-13, 22-23, 56-60
	2-7 Employees	Pages 40-42, Appendix B
	2-8 Workers who are not employees	Page 23
	2-9 Governance structure and composition	Pages 15-16, 40-41. Annual Report pages 35-36
	2-10 Nomination and selection of the highest governance body	Bega Group Nomination, Remuneration, People and Capability Board Committee Charter on the Bega Group website. Investors Corporate Governance
	2-11 Chair of the highest governance body	Annual Report page 35 and the Board Charter on the Bega Group website. Investors Corporate Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Bega Group Risk and Sustainability Committee Charter on the Bega Group website. Investors Corporate Governance
	2-13 Delegation of responsibility for managing impacts	Bega Group Risk and Sustainability Committee Charter on the Bega Group website. Investors Corporate Governance
	2-14 Role of the highest governance body in sustainability reporting	Bega Group Risk and Sustainability Committee Charter on the Bega Group website. Investors Corporate Governance
	2-15 Conflicts of interest	Bega Group Code of Conduct on the Bega Group website. Business Conduct
	2-16 Communication of critical concerns	Bega Group Risk and Sustainability Committee Charter on the Bega Group website. Investors Corporate Governance
	2-17 Collective knowledge of the highest governance body	Bega Group Corporate Governance Statement on the Bega Group website. Investors Corporate Governance
	2-18 Evaluation of the performance of the highest governance body	Bega Group Corporate Governance Statement on the Bega Group website. Investors Corporate Governance

GRI Content Index

Global Reporting Initiative Standards (GRI) 2021	Disclosure	Location
	2-19 Remuneration policies	Page 15. Bega Group Nomination, Remuneration, People and Capability Board Committee Charter on the Bega Group website. Investors Corporate Governance
	2-20 Process to determine remuneration	Page 15. Annual Report pages 41-45
	2-21 Annual total compensation ratio	Not reported
	2-22 Statement on sustainable development strategy	Pages 17-18
	2-23 Policy commitments	Pages 17-18. Bega Group Modern Slavery Statement on the Bega Group website. Business Conduct
	2-24 Embedding policy commitments	Page 15. Bega Group Code of Conduct on the Bega Group website. Business Conduct
	2-25 Processes to remediate negative impacts	Pages 15, 19. Bega Group Code of Conduct on the Bega Group website Business Conduct and Bega Group Whistleblower Policy Investors Corporate Governance
	2-26 Mechanisms for seeking advice and raising concerns	Bega Group Corporate Governance Statement on the Bega Group website Investors Corporate Governance Bega Group Code of Conduct on the Bega Group website Business Conduct
	2-27 Compliance with laws and regulations	Pages 33 and 47
	2-28 Membership associations	Page 20
	2-29 Approach to stakeholder engagement	Page 19
	2-30 Collective bargaining agreements	Page 42
GRI 3: Material Topics 2021		
	3-1 Process to determine material topics	Page 19
	3-2 List of material topics	Page 17
	3-3 Management of material topics	Pages 15, 17-18
GRI 301: Materials 2016		
	301-1 Materials used by weight or volume	Page 53
GRI 302: Energy 2016		
	302-1 Energy consumption within the organization	Page 49 and Appendix B
GRI 303: Water and Effluents 2018		
	303-3 Water withdrawal	Page 51 and Appendix B
	303-4 Water discharge	Page 51 and Appendix B

GRI Content Index

Global Reporting Initiative Standards (GRI) 2021	Disclosure	Location
GRI 305: Emissions 2016		
	305-1 Direct (Scope 1) GHG emissions	Page 49 and Appendix B
	305-2 Energy indirect (Scope 2) GHG emissions	Page 49 and Appendix B
	305-3 Other indirect (Scope 3) GHG emissions	Page 50
	305-4 GHG emissions intensity	Pages 48-49
GRI 306: Waste 2020		
	306-3 Waste generated	Appendix B
	306-4 Waste diverted from disposal	Page 52 and Appendix B
	306-5 Waste directed to disposal	Appendix B
GRI 308: Supplier Environmental Assessment 2016		
	308-1 New suppliers that were screened using environmental criteria	Page 22
	308-2 Negative environmental impacts in the supply chain and actions taken	Pages 22 and 56-60
	GRI FP2 Percentage of purchased volume which is verified as being in accordance with credible, internationally recognised responsible production standards, broken down by standard	Page 59-60
GRI 403: Occupational Health and Safety 2018		
	403-9 Work-related injuries	Pages 33 and 37
GRI 405: Diversity and Equal Opportunity 2016		
	405-1 Diversity of governance bodies and employees	Pages 40-41 and Appendix B
	405-2 Ratio of basic salary and remuneration of women to men	Page 39
GRI 414: Supplier Social Assessment 2016		
	414-1 New suppliers that were screened using social criteria	Page 22
	414-2 Negative social impacts in the supply chain and actions taken	Pages 22-23 and 56-60
GRI 416: Customer Health and Safety 2016		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Page 25 and Appendix B
	GRI FP5 Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognised food safety management system standards	Page 24

Sustainability Accounting Standards Board Index

Food & Beverage Sector: Processed Foods Standard 2018

Activity metric	Category	Unit of measure	Code	Disclosure/Location
Weight of products sold	Quantitative	Metric tons	FB-PF-000.A	Bega Cheese produced 275,012 tonnes of product. Bega Dairy and Drinks produced 894,762 kilolitres of product.
Number of production facilities	Quantitative	Number	FB-PF-000.B	20

Topic	Accounting metric	Category	Unit of measure	Code	Disclosure/Location
Energy management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), percentage (%)	FB-PF-130a.1	Page 49 and Appendix B
Water management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m ³), percentage (%)	FB-PF-140a.1	(1) Page 51 (2) Not reported
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Quantitative	Number	FB-PF-140a.2	Page 47
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and analysis		FB-PF-140a.3	Not reported
Food safety	Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate		Page 24
	Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognised food safety certification program	Quantitative	Percentage (%) by cost		Page 24
	(1) Total number of notices of food safety violation received, (2) percentage corrected	Quantitative	Number, percentage (%)		Page 25
	1) Number of recalls issued and (2) total amount of food product recalled	Quantitative	Number, tonnes (t)		(1) Page 25 (2) Not reported
Health and nutrition	Revenue from products labeled and/or marketed to promote health and nutrition attributes	Quantitative	Reporting currency		Page 26
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	Discussion and analysis			Page 26 Partially reported
Product labelling and marketing	Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines	Quantitative	Percentage (%)		Not reported

Sustainability Accounting Standards Board Index
Food & Beverage Sector: Processed Foods Standard 2018

Topic	Accounting metric	Category	Unit of measure	Code	Disclosure/Location
	Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	Quantitative	Reporting currency		Not reported
	Number of incidents of non-compliance with industry or regulatory labelling and/or marketing codes	Quantitative	Number		Page 26
	Total amount of monetary losses as a result of legal proceedings associated with labelling and/or marketing practices	Quantitative	Reporting currency		Page 26
Packaging lifecycle management	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	Quantitative	Metric tons (t), Percentage (%)		Pages 53-54
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and analysis			Pages 53-54
Environmental and social impacts of ingredient supply chain	Percentage of food ingredients sourced that are certified to third-party environmental and/or social standards, and percentages by standard	Quantitative	Percentage (%) by cost		Pages 56-60 Partially reported
	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate		Page 22
Ingredient sourcing	Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%) by cost		Not reported
	List of priority food ingredients and discussion of sourcing risks due to environmental and social considerations	Discussion and analysis			Pages 23, 56-60

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Principal Registered Office

23 Ridge Street

Bega NSW 2550

T: 02 6491 7777

E: admin@bega.com.au

W: www.begagroup.com.au

begagroup.com.au

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